



Legislative Bulletin

OML UPDATES: AT-A-GLANCE

Here are the top three things you need to know this week:

- 13 states so far, including Texas and Ohio, have passed laws this year dictating how cities should regulate small cell wireless technology. In addition to the cities in Ohio that have filed suit, 22 Texas cities are also legally challenging their state's law.
- Ohio is making money off of its Medicaid expansion. This budget year, Ohio is receiving \$62.2 million more than it currently spends on Medicaid expansion. Net revenue projections for next year hit \$21.2 million. In total, the state uses Medicaid expansion money to leverage over \$300 million in additional revenue each year.
- Ohio transportation by the numbers: since 2012, 31 states have enacted a transportation funding increase; 8 states have raised gas taxes, and 10 states have approved new fees for electric and/or hybrid vehicles.

October 13, 2017

BILL REGULATING MUNICIPAL USE OF CREDIT CARDS HEARS PROPONENT TESTIMONY

The House Government Accountability and Oversight Committee held a second hearing on HB 312, legislation that would regulate the use of credit and debit cards by political subdivisions. Sponsored by Rep. Schuring (R - Canton) and Rep. Greenspan (R - Westlake), the bill received proponent testimony from State Auditor David Yost who shared with the committee that the legislation was proposed to address the use of credit cards by local governments which has become more prevalent in recent years. Auditor Yost commented, "Unfortunately, the incidence of credit card fraud by local government officials has become more prevalent as the use has increased. There is no uniformity among the different statutes governing how local governments may use credit cards, let alone guidance on controls for proper use of the cards. It is high time for the State to provide additional safeguards to protect taxpayer dollars from credit card abuse." Auditor Yost's testimony can be found [HERE](#).

Key issues addressed in the bill include:

- Treasurers who have physical control over all credit cards to utilize a system for individual use of the card and to enact a credit card policy, if they have not already done so.
- Treasurers without physical control of the cards to enact procedures for using a credit card, who can use them, and how often they are to be reissued while putting credit limits on each card, enacting a quarterly review process, detailing allowable expenses and appointment of a compliance officer by the legislative authority.
- Adds a definition of "Credit Card" to the Ohio Revised Code.
- Establishes Credit Card Reward Reporting Standards.
- Creates penalties for misuse of a credit card.
- Provides an exemption for Home Rule townships and small villages.

During committee, a substitute bill was adopted (making the bill Sub. HB 312). The changes are relatively minor, the most significant one being the decrease of the penalty of misuse to a misdemeanor of the first degree.

We would bring to the attention of our members issues related to Article XVIII of the Ohio Constitution and the municipal Home Rule authorities provided Ohio cities and villages that are related to the legislation. As reflected in the *Comment* section of the bill's Legislative Service Commission (LSC) analysis:

Under the Ohio Constitution, a municipal corporation may regulate all matters of local self-government, but the General Assembly may limit or restrict the power of a municipality to incur debt. Credit or debit card usage by a municipal corporation is likely a matter of local self-government, and although the General Assembly may limit a municipality's aggregate indebtedness, the Ohio Supreme Court has held the General Assembly "may not . . . prescribe the manner and method which a municipal corporation must follow" in incurring debt.

However, this case was decided before the Court made a distinction between procedural and substantive matters of local self-government; chartered municipalities may deviate from state law on both procedural and substantive matters while nonchartered municipal corporations may deviate only on substantive matters. In other words, nonchartered municipal corporations must follow state laws that establish procedures for self-government. A court may decide the bill's requirements are procedural rather than substantive, in which case they will apply to nonchartered municipal corporations. Or, a court may decide that municipal use and regulation of credit and debit cards is substantive, and therefore a valid exercise of municipal home rule by all municipal corporations. In either case, chartered municipal corporations probably may deviate from the bill's requirements.

League staff will be monitoring the bill as it moves through the legislative process. If you have any questions regarding the bill or would like to testify, please contact Ed Albright at edalbright@omloho.org.

HOUSE PASSES BILL LEGALIZING FIREWORKS

A bill that would legalize the ownership and use of fireworks within the state of Ohio was passed by the Ohio House this week. HB 266, sponsored by Rep. Seitz (R - Cincinnati) and Rep. Sweeney (D - Cleveland), passed the full House 77-12. If it clears the Senate and is signed by the Governor, fireworks would be legal in Ohio effecting 2020.

It is important to note that the bill as passed allows local governments to regulate the sale and use of fireworks within their jurisdictions. The bill also creates the Fireworks Study group, prohibits people from setting off fireworks while drinking alcohol or using drugs, and requires fireworks sellers to distribute safety information.

League staff will be tracking this bill as it heads to the Senate, and will update our members accordingly.

MUNICIPAL LEGISLATION INTRODUCED

Two bills that would have impact on municipalities were introduced in the House this week.

- HB 373, legislation which would permit concealed carry of firearms in courthouses and government buildings was sponsored by Rep. Vitale (R - Vitale). The proposal would allow anyone with a concealed handgun license to carry a concealed handgun in a courthouse, a courtroom, or a government facility of this state or a political subdivision - so long as that political subdivision or court has not enacted an ordinance or policy that prohibits a licensee from carrying a concealed handgun into the building courthouse.
- HB 378, to Create Ohio Broadband Development Grant Program is sponsored by Rep. Smith (R - Bidwell) and Rep. Cera (D - Bellaire). The legislation creates the Ohio Broadband Development Grant Program for last-mile and middle-mile broadband infrastructure. The bill authorizes the Director of the Development Services Agency (DSA) to award grants for extending broadband services to unserved areas of the state. A private business, political subdivision, non-profit or co-op may apply for the grant, which is funded by the bill's appropriation of \$50 million.

Neither bill has been referred to a committee yet, but League staff will track their progress and inform our members of their progress.

COMMITTEE HEARINGS FOR BILLS OF MUNICIPAL INTEREST

The following bills received committee hearings this past week:

- **INCREASE MATURITY OF BONDS**

HB 251, sponsored by Rep. Greenspan, was reported out of the House Financial Institutions, Housing and Urban Development committee on Tuesday. The bill increases the maturity period of other political subdivision's bonds and obligations from five to ten years. The bill will now move before the full House for a vote.

- **PROHIBIT MENACING UTILITY WORKER WITH INTENT TO OBSTRUCT UTILITY**

HB 276, sponsored by Rep. Rezabek (R - Clayton) and Rep. Greenspan heard sponsor testimony during its second hearing in the House Criminal Justice Committee from Dayton Power & Light, along with other supportive organizations. The bill expands the offense of aggravated menacing to prohibit threatening a utility worker with intent to obstruct the operation of a utility. OML is a proponent of the bill, as municipalities employ utility workers.

- **DOGS IN RESTAURANT OUTDOOR DINING**

HB 263, sponsored by Rep. Lanese (R - Grove City), had proponent testimony during its second hearing in the House Economic Development, Commerce and Labor Committee. The bill allows restaurants to allow dogs onto their patios, even if a municipality's health department prohibits it.

- **PROHIBIT PUBLIC PLACES FROM EXCLUDING SERVICE ANIMALS**

HB 303, sponsored by Rep. Lipps (R - Franklin) and Rep. Kelly (D - Cincinnati), had its first hearing in the same committee. The bill's sponsor offered testimony on the bill, which would prohibit places of public accommodation from preventing the use of a service animal. The legislators said the bill would clarify the difference between an "assistance animal" and a "service animal."

- **TOWNSHIP REIMBURSEMENT FOR MEDICAL SERVICES WITHIN TIF**

HB 69, sponsored by Rep. Cupp (R - Lima), had its fifth hearing in the Senate Ways and Means Committee on Wednesday. The bill mandates a municipality reimburse a township for fire and EMS services if the municipality is in a TIF with a township that is the sole provider of fire and EMS services for that TIF. The bill was amended during committee to allow for amendments to Joint Economic Development Zones so residents of a township aren't subject to double income taxation.

- **TIMING AND CONTENT OF TAX BALLOT ISSUES**

HB 342, sponsored by Rep. Merrin (R - Monclova Township), had its first hearing in the House Government Accountability and Oversight Committee. The bill would restrict local tax-related proposals, only allowing them to appear general and primary election ballots - not on an August special election ballot. The bill also modifies the information conveyed in election notices and ballot language for property tax levies. Its important municipalities can put levies on special election ballots, as special elections are usually not crowded with candidates or other issues, making it the best time to thoroughly educate voters on the levy. OML opposes the preemption this bill creates, and will invite members to testify should the bill continue to receive hearings.

- **WORKER'S COMPENSATION REFORM**

HB 269 and HB 268, both sponsored by Rep. Henne (R - Clayton), had second hearings in the House Insurance Committee. HB 269 is a general Worker's Compensation overhaul, dealing mainly with safety incentives and return-to-work plans, which HB 268 deals with self-insurers. HB 268 had a substitute bill adopted allowing the BWC to require additional security, such as a line of credit or a bond, from certain employers.

OHIO SUPREME COURT TO HEAR SECOND CASE ON MUNICIPAL RED-LIGHT TRAFFIC CAMERAS

This week, the Ohio Supreme Court elected to decide whether or not cities who collected fines from red light traffic cameras while their right to do so was being litigated in court will have their Local Government Fund (LGF) dollars withheld.

The decision came from Attorney General Mike DeWine's appeal after the lower courts struck down the state's ability to withhold LGF dollars equal to the amount in civil fines they collected in red light traffic camera citations. The specific city at the center of the litigation is Toledo.

The situation is stemming from a specific provision within the budget bill, HB 49, that called for the state to withhold LGF revenues from cities - such as Toledo - that were awarded court orders allowing them to keep their traffic cameras while they challenged the law that banned the use of red light traffic cameras, which they argued infringed upon Home Rule authority.

That separate litigation, which dealt specifically with the city of Dayton, was ruled in favor of Dayton and found the restrictions of red light traffic cameras unconstitutional. That decision has yet to be extended to the cases in Toledo and Springfield, who held their appeals while the Dayton case was decided.

In the case that the Ohio Supreme Court decides the General Assembly has the right to withhold LGF dollars from cities who collected fines during Dayton's litigation could stand to lose substantial amounts of revenue they have already budgeted. League staff will be monitoring the Court's decision closely and we will let our members know how the high court chooses to rule.

OML CHIEF LEGAL COUNSEL RECOGNIZED TWICE AT IMLA AWARDS

OML is proud to report that our Chief Legal Counsel Garry Hunter is the recipient of not one, but two awards at the International Municipal Lawyers Association (IMLA) 82nd Annual Conference. Mr. Hunter was awarded both the James H. Epps III Award for Longevity of Service to a Community Award and the Charles S. Rhyne Lifetime Achievement in Municipal Law Award during the conference, which was held in Niagara Falls in Ontario, Canada.

Mr. Hunter, who has served as the Law Director of the City of Athens, has over thirty-seven years of municipal experience. He serves as Executive Director of OML's Ohio Municipal Attorneys Association and is a past president of the Athens County Bar Association. Congratulations, Garry, on your well-deserved recognition.

COMMITTEE SCHEDULE FOR THE WEEK OF OCTOBER 15, 2017

Monday, October 16, 2017



TASK FORCE ON HEROIN, OPIOIDS, PREVENTION AND EDUCATION (HOPES)

Mon., Oct. 16, 2017, 1:30 PM, Fairborn

Rep. Robert Sprague

Meeting is at Wright State University, Nutter Center, Berry Room, 3640 Col. Glenn Highway #430, Fairborn, OH 45324.

Tuesday, October 17, 2017



TASK FORCE ON HEROIN, OPIOIDS, PREVENTION, EDUCATION AND SAFETY (H.O.P.E.S.)

Tue., Oct. 17, 2017, 1:00 PM, Columbus

Rep. Robert Sprague, Chair: 614-466-3819

The task force will meet in the Alumni Lounge of the Fawcett Center, 2400 Olentangy River Rd., Columbus.



TAX EXPENDITURE REVIEW COMMITTEE

Tue., Oct. 17, 2017, 2:30 PM, Senate Finance Hearing Room



HOUSE PUBLIC UTILITIES

Tue., Oct. 17, 2017, 3:00 PM, Hearing Room 116

Rep. Cupp: 614-466-9624

HB249**

RESIDENTIAL UTILITY RESELLING (DUFFEY M) To permit the Public Utilities Commission to adopt rules governing residential utility reselling.

Second Hearing, Proponent Testimony

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

Wednesday, October 18, 2017



SENATE ENERGY AND NATURAL RESOURCES

Wed., Oct. 18, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Balderson: 614-466-8076

OR AFTER SESSION

SB31**

HEALTH RULE WITHDRAW PROCESS (EKLUND J) To authorize a board of county commissioners or municipal legislative authority to elect to withdraw the county or municipal corporation from the application of any rule adopted by the Department of Health after January 1, 2014, that governs the design of household sewage treatment systems.

Second Hearing, Proponent Testimony, AMENDMENTS

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

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY COMMITTEE SCHEDULE CHANGES



Legislative Bulletin

OML UPDATES: AT-A-GLANCE

We'd like to introduce a new feature to our legislative bulletin: OML Updates At-A-Glance. We will be starting our legislative bulletin with three main points we want our readers to know, whether it will be a fact from the past week or information on something in the future. We hope this quick, concise summary is helpful and informative for our readership.

Here are some issues the League staff think are important for our members to be aware of:

- Ohio's unemployment rate increased by 5,200 from July to August, though there was an increase in private sector jobs by more than 11,100. However, Government jobs decreased by 5,900, including a drop by 4,500 in trade, transportation and utilities jobs.
- According to the Ohio Department of Taxation's "Tax Expenditure Report for Fiscal Years 2016-2017", Ohio will forego nearly \$8.9 billion in revenue in Fiscal Year 2017. That statistic included in the just-released 2020 Tax Policy Study Commission report, which discuss in this bulletin.
- The Department of Justice (DOJ) has announced they will be awarding \$24 million in federal grants to 50 local government to create comprehensive alternatives to incarceration programs for those impacted by the opioid epidemic. Read more about these grants below.

October 6, 2017

NEW LEGISLATION SEEKS TO PREEMPT MUNICIPAL TAXATION/REGULATION OF "AUXILIARY CONTAINERS"

A new bill was introduced this week that preempts municipal authority to regulate and tax what are known as "auxiliary containers." SB 210, sponsored by Sen. Coley (R - Liberty Township) and Sen. Eklund (R - Munson Township), would authorize a person to use an auxiliary container for any purpose, to prohibit a municipal corporation from imposing a tax or fee on auxiliary containers, and to clarify that the existing anti-littering law applies to auxiliary containers.

"Auxiliary container" is defined in bill as a bag, can, cup, food service item, container, keg, bottle or other packaging wither single use or reusable that is designed for consuming, transporting or protecting merchandise, food, or beverages. The bill prohibits a municipality from imposing any taxes, fees, assessments or other charges on the sale, use or consumption on auxiliary containers.

The Ohio Municipal League maintains that under Home Rule authority, Ohio municipalities should retain the authority to regulate and tax auxiliary containers within their jurisdiction as deemed best by that local

government, and we stand opposed to any preemption on those Home Rule rights. We will be tracking this legislation carefully, and encourage our members to look for opportunities to testify on this bill as well as to call their legislator to inform them of municipal opposition to this bill.

BILL TO ELIMINATE SOVEREIGN IMMUNITY CONTINUES MOMENTUM

HB 267, which we have covered in previous legislative bulletins, has received two hearings in the House Civil Justice Committee over the past few weeks. The bill, sponsored by Rep. Ingram (D - Cincinnati) would essentially eliminate immunity for political subdivisions in the case of a motor vehicle accident except for the instance where someone wrecks as a result of being pursued by local law enforcement officers. The bill analysis can be found [HERE](#).

The bill was introduced because of an incident in Cincinnati when a car was struck by a Cincinnati Police Department vehicle.

In the event the bill receives another hearing, League staff is asking our members to provide verbal or written testimony opposing the bill to help the state legislature understand the devastating effect the total removal of sovereign immunity would have on our municipalities. There are unseen, unanticipated consequences that would happen if this legislation were to become law, from ambulances to playgrounds. We ask that you call your legislators and inform them of your opposition to this bill. Please contact Director of Communications Ashley Brewster at abrewster@omlohio.org if you have questions about testifying or regarding how to get in touch with your legislator.

BILLS OF MUNICIPAL INTEREST

The House was in recess this and only a handful of Senate committees held hearings. Two bills with impact to municipalities had hearings, one of which was SB 195, which deals with vicious dogs and is addressed in greater detail next in this bulletin. The other was HB 96, sponsored by Rep. Cupp (R - Lima), which requires a municipality to reimburse a township for fire and EMS services if the township is the sole provider of fire and EMS services within a TIF district with the municipality. During its fourth hearing in the Senate Ways and Means Committee, the bill received no oral testimony. Written opposition testimony from the Building Industry Association of Central Ohio was provided to the committee.

Additional bills of municipal impact that were introduced this week include:

- SB 208, sponsored by Sen. Terhar (R - Cincinnati), would allow a law enforcement officer or investigator, whether on or off duty, to carry a weapon on certain premises open to the public.
- HB 371 Rep. Merrin (R - Monclova Township), would exempt from property taxation the increased value of land subdivided for residential development until construction commences or the land is sold.

We will be tracking these bills throughout the legislative process, and we will be informing our members of their progress and when opportunities for testimony arise.

NEW BILL GIVES LOCAL GOVERNMENTS MORE TOOLS IN DEALING WITH VICIOUS DOGS

SB 195, sponsored by Sen. Beagle (R - Tipp City) and Sen. Lehner (R - Kettering), revises provisions of the dog law governing nuisance, dangerous, and vicious dogs, revises the enforcement of that law, and establishes a notification process regarding complaints of certain violations of that law. SB 195 received sponsor testimony in the Senate Judiciary Committee. Sponsor Sen. Beagle said during testimony, "the legislation strives to give local authorities the tools they say they need to address problem dogs and their owners, without punishing those that are not a serious threat to the community."

The bill's provisions include a requirement that all calls to a dog warden to lead to an investigation or follow-up, clarifies that dog wardens have arrest authority, allows witnesses to provide a notarized affidavit in the event of a dog attack, requires dogs deemed to be dangerous to be registered and extends the amount of time violent felons cannot own dogs to five years.

This legislation helps local governments by giving them more tools to prosecute and even prevent vicious dog attacks. By granting dogs wardens arrest authority and providing clearer definitions, local authorities like judges, police and prosecutors will be provided more tools and guidelines to equip them as they handle vicious dog cases. The legislation has been derived from conversations the Senator has had with local governments. "All of these changes come from requests from local authorities and those in the field," said Sen. Beagle.

We will be tracking this bill as it moves through the legislative process and update our members on its progress, any changes, and whether there will be opportunities to offer testimony.

OHIO SUPREME COURT RULES SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERP) CAN BE EXCLUDED FROM MUNICIPAL TAXATION

This week, the Ohio Supreme Court has ruled in *MacDonald v. Cleveland Income Tax Board of Review* that Ohio municipalities that exclude "pensions" from city income tax cannot require taxation of supplemental executive retirement plans (SERP). This is despite the fact the Internal Revenue Service (IRS) treats SERPs as "non-qualified" deferred compensation, which are not entitled to the tax benefits of 401Ks or other qualified plans.

In 2006, William MacDonald, who had retired from the former National City Corp. in Cleveland, challenged Cleveland's assessment of a two percent municipal income tax on his SERP. When he challenged the assessment, it was upheld by the Cleveland Income Tax Board of Review. The city's assessment was then overturned by the Ohio Board of Tax Appeals, which led to the case being argued before the Ohio Supreme Court.

The city of Cleveland does not tax pensions, and the Court ruled unanimously that Cleveland had incorrectly assessed MacDonald's SERP based on its own laws. The Court said this is because MacDonald's SERP does not contain any deferred wages or set-aside pay.

This is a serious concern for our members because of the significant loss of revenue this will mean, especially for municipalities with a large number of high wage earners who receive compensation through SERPS. Additionally, there will be an untold loss of revenue in the future as more earners send their compensation to SERPS to be shielded from municipal income tax. This will mean a substantial loss of revenue for many municipalities, and it is a significant threat to the services funded by those revenues.

2020 TAX POLICY STUDY COMMISSION RELEASES TAX REPORT

The 2020 Tax Policy Study Commission has released a 323 page-long report regarding whether or not Ohio should move towards a flat tax. The report offers no recommendation, deferring instead to the outcome of the Tax Expenditure Review Committee's study of Ohio's tax credits and tax expenditures, which was mandated in a bill passed last year. The report instead provides an overview of the Ohio personal income tax the income tax base, tax rates, the deductions and credits available against the tax, and the use of income tax revenue. The report also briefly includes information on the income taxes of other states.

The Commission, which was created in 2015 and tasked with studying Ohio's tax structure, has already released reviews of the state's severance tax and a study of the Ohio Historic Preservation Tax Credit.

During the writing of this report, the Commission held ten public hearings over one year's time, hearing from forty-three individuals from the executive branch of state government, the world of academia, and business owners and industry leaders. One of these individuals was OML's own Executive Director Kent Scarrett, whose contribution to the report can be found on page 299. Testifiers spoke to what has worked and what hasn't in Ohio's taxation policies, while proposing potential solutions and offering their theories about what's in store for Ohio's economic future.

To read the report in its entirety, please click [HERE](#).

NATIONAL LEAGUE OF CITIES ALERT: CALL TO PRESERVE THE STATE AND LOCAL TAX DEDUCTION (SALT)

The National League of Cities (NLC) is asking that we alert our members of the need to call the national House of Representatives to fully preserve the State and Local Tax Deduction (SALT.) As part of the conversation taking place in Congress regarding federal tax reform, "compromise proposals" are currently being floated by House Members that would violate the fundamental principles of double taxation and fiscal federalism that SALT protects, by either restricting, limiting or modifying SALT. This would open the door to continued erosion of the SALT deduction, and could potentially undermine homeowners and home values while causing intergovernmental battles over tax revenues. It would cause millions of taxpayers to pay higher taxes while undermining critical state and local public services.

We are asking that you call your Congressman and let them know it is important that SALT must be preserved and not limited, restricted or modified in any way. NLC has provided a fact sheet with more information and Congressional contact information [HERE](#).

DEPARTMENT OF JUSTICE ANNOUNCES \$24 MILLION IN GRANTS TO FIGHT OPIOID EPIDEMIC

The Department of Justice (DOJ) has announced they will be awarding \$24 million in federal grants to 50 cities, counties and public health departments to provide assistance to both state and local governments to combat the opioid epidemic. The money is to be used to create comprehensive alternatives to incarceration programs for those impacted by the opioid epidemic.

The DOJ also will be awarding over \$222 million to 53 jurisdictions to support the creation and enhancement of adult drug courts and Veterans Treatment Courts.

These monies are portions of a total of \$58.8 million that will be awarded by the DOJ to combat the opioid epidemic and fund drug courts nationwide. Grants will also be awarded to research projects, juvenile justice efforts and the Family Drug Court Statewide System Reform Implementation Program. For more information about these grants, please click [HERE](#).

2020 CENSUS LOCAL UPDATE OF CENSUS ADDRESSES (LUCA) OPERATION PARTICIPATION AVAILABLE

The Census Bureau has recently mailed forms for participation in the Local Update of Census Addresses (LUCA) for the 2020 Census. LUCA is the only opportunity offered to tribal, state, and local governments to review and comment on the U.S. Census Bureau's residential address list for their jurisdiction prior to the 2020 Census.

The Census Bureau relies on a complete and accurate address list to reach every living quarters and associated population for inclusion in the census. The address list is the backbone of the census because census forms are sent to housing units, not to people. Census 2020 won't be accurate if the Census Bureau doesn't know about all of the housing units in an area thus LUCA participation is critical to an accurate population count. LUCA underlies the distribution of the Census forms and fieldworker follow-up on non-responding households, it matters for all of the same reasons the Census matters.

Local governments who lack the resources to participate in LUCA can consider arranging for a higher level of government, such as county, or an organization such as a regional planning agency or council of governments, to conduct your review.

The stakes are especially high for communities with a fast-growing population, and large areas whether metropolitan or rural. The federal government allocates more than \$400 billion in federal funds to tribal, state and local governments annually based upon Census data. Participation in LUCA is important, and you can email geo.2020.luca@census.gov or call 1-844-344-0169 with any questions regarding your forms. Please ensure all documents are submitted to the Census Bureau by the December 15, 2017 registration deadline.

ARE YOU REGISTERED FOR OUR ANNUAL CONFERENCE?

League staff are finishing the final preparations for our upcoming Annual Conference. You only have a few more weeks to register if you haven't done so already, so please click [HERE](#) to make sure you don't miss out! We look forward to seeing you there.

COMMITTEE SCHEDULE FOR THE WEEK OF OCTOBER 9, 2017

Tuesday, October 10, 2017

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Oct. 10, 2017, 9:00 AM, Hearing Room 114

Rep. Dever: 614-466-8120

HB251** BOND AND OBLIGATION MATURATION (GREENSPAN D) To increase from five to ten years the maturity period of other political subdivision's bonds and obligations eligible for investment of a subdivision's interim moneys.

Fourth Hearing, All Testimony, POSSIBLE VOTE

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

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR

Tue., Oct. 10, 2017, 1:30 PM, Hearing Room 113

Rep. Young: 614-644-6074

HB263** OUTDOOR DINING-DOGS (LANESE L) To generally allow an owner, keeper, or harbinger of a dog to take the dog in an outdoor dining area of a retail food establishment or food service operation.

Second Hearing, Proponent Testimony

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

HB303** SERVICE ANIMAL USE (LIPPS S, KELLY B) To prohibit places of public accommodation from preventing the use of a service animal.

First Hearing, Sponsor Testimony

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

Wednesday, October 11, 2017

HOUSE GOVERNMENT ACCOUNTABILITY AND OVERSIGHT

Wed., Oct. 11, 2017, 9:30 AM, Hearing Room 114

Rep. Blessing III: 614-466-9091

HB312** LOCAL GOVERNMENT CREDIT CARDS (SCHURING K, GREENSPAN D) Regarding use of credit cards and debit cards by political subdivisions.

Second Hearing, Proponent Testimony, SUBSTITUTE BILL

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

HB342** LOCAL TAX ISSUES-ELECTION DATES (MERRIN D) To permit local tax-related proposals to appear only on general and primary election ballots and not on an August special election ballot and to modify the information conveyed in election notices and ballot language for property tax levies.

First Hearing, Sponsor Testimony

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

HOUSE INSURANCE

Wed., Oct. 11, 2017, 10:00 AM, Hearing Room 116

Rep. Brinkman: 614-644-6886

HB269** WORKERS COMPENSATION OVERHAUL (HENNE M) To rename the entities who carry out workers' compensation functions in this state, to require the Administrator of Worker Safety and Rehabilitation to develop incentives for employers to participate in safety consultations and loss prevention programs, to require an employee who is receiving temporary total disability compensation to comply with a return to work plan, and to make changes with respect to compensation for permanent total disability and death benefits.

Second Hearing, Proponent Testimony

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

HB268** WORKERS COMPENSATION-SELF-INSURERS (HENNE M) To make changes to the Workers' Compensation Law with respect to self-insuring employers.

Second Hearing, No Testimony, SUBSTITUTE BILL

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

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY COMMITTEE SCHEDULE CHANGES



Legislative Bulletin

September 29, 2017

While the Legislature slowed down a little this week with the House in recess, League staff was still kept busy with attending Senate committee hearings and meeting with legislatures to discuss current and pending legislation. We are also entering into the final weeks before our annual conference, which you can register for [HERE](#) if you haven't already. The League has extended invitations to both municipal advocates and legislators across the state, and we are excited to give our members the opportunity to potentially touch base with their district lawmakers during the conference. In the meantime, we will continue to keep you up to speed on what's happening at the Statehouse.

SENATE HOLDS COMMITTEE HEARINGS DURING HOUSE RECESS

While the House is in recess this week and next, the Senate held committee hearings that heard several bills of municipal interest. All of the bills referenced and other legislation introduced this session can be accessed on the Ohio Legislative Service Commission (LSC) website www.legislature.ohio.gov.

Senate Local Government, Public Safety and Veterans Affairs Committee, heard three bills of municipal interest:

- 1** • SB 127, sponsored by Sen. LaRose (R - Hudson) legislation that require actions when driver approaches waste collection vehicle. The bill mandates that motor vehicles must slow down and/or move over when approaching a waste collection vehicle that is collecting trash on the side of the road. It was up for its third hearing and received no testimony, written or otherwise.
- 2** • Sub. HB 95, sponsored by Rep. Hughes (R - Upper Arlington) and Rep. Seitz (R - Cincinnati), legislation that would enhance the penalty for moving violations while distracted. The bill would increase the penalty for distracted driving if the distracted driving causes a moving violation. Three proponents testified to the bill, two of whom were victims of distracted driving or had lost loved ones to distracted driving.
- 3** • HB 125, sponsored by Rep. Seitz and Rep. Craig (D - Columbus) deals with specifying court jurisdiction over municipal traffic ordinances. Specifically, the bill states that small municipalities without mayor's courts may not charge fines and fees for traffic violations that exceed the amounts charged by the state, municipal or county schedule while prohibiting townships from using traffic cameras on interstates. While no testimony was offered, a technical amendment was adopted to clarify that while township law enforcement officers cannot use photo traffic monitoring on interstates, they are not prohibited from assisting police forces from the state or other jurisdictions.

Senate Finance Committee:

- 4** • HB 54, sponsored by Rep. Blessing (R - Colerain) and Rep. Gaverone (R - Bowling Green) is a proposal to issue state revenue bonds to finance acquisition of improvements. The bill creates a state bond bank under the Treasurer's office that would loan money to public entities for permanent improvement projects. During the third hearing, an amendment from Sen. Skindell was adopted which

clarified that the State's full faith and credit are not behind any of the bonds that would be created by this bank. The amendment also mandated that the bonds bear a statement to that effect.

Senate Ways and Means Committee:

5 • HB 69, sponsored by Rep. Cupp (R - Lima), legislation that proposes to allow townships to be reimbursed for medical service levy revenue forgone because of TIF. The bill would allow a reimbursement to townships for fire and EMS services in a TIF where the township is the sole provider of those services. The committee heard proponent testimony from Jackson Township Fire Chief Randy Little, who said the legislation was about fairness.

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LEGISLATION TO REINSTATE "THROWBACK" AMONG NEW BILLS INTRODUCED

Earlier this week, Sen. Matt Dolan (R - Chagrin Falls) introduced SB 203, legislation that would reinstate the "throwback" rule for municipalities. The removal of the rule in the state budget, HB 49, will be a substantial revenue loss for those municipalities with large warehouse districts and communities that have commercial distribution systems as part of their business constituencies. In his co-sponsor request, Sen. Dolan said the removal of the rule "creates a clear tax avoidance opportunity for multi-state corporations."

"The purpose of this legislation is to help level the economic playing field among all business and to alleviate the fiscal stress placed on the state," he said. "Through this legislation, we will ensure that all of the profits companies earn are subject to taxation in the states in which they do business."

We are grateful to Sen. Dolan for his leadership and recognition of the significant financial strain the removal of the "throwback" rule will place on municipalities and is working to reinstate this vital source of revenue.

Additionally, Sen. Hite (R - Findlay) and Sen. Schiavoni (D - Boardman) have introduced SB 199, which would create Ohio Broadband Development Grant Program under the Ohio Development Services Agency. The grant program would award up to \$5 million or 50% of the total project cost to eligible applicants, which would include private businesses, political subdivisions, nonprofit organizations and co-ops. The entity could then use the awarded funds for the construction of broadband infrastructure, but only to expand broadband service to unserved areas of the state. Political subdivisions would be required to demonstrate they had written all broadband service providers in their area and asked for the provider's plan to upgrade broadband service in the area. Grants would be awarded by the Director of the DSA based on need. Communities needing broadband service for libraries, educational institutions, public safety facilities and healthcare facilities would be prioritized.

League staff will be tracking this bill as it moves through the legislative process and we will be updating our members accordingly.

BWC ANNOUNCES CUT RATE FOR PUBLIC EMPLOYERS BY AN AVERAGE OF 6.1%

On Thursday, the board of the Bureau of Worker's Compensation announced that starting January 1, 2018, public employers will pay on average 6.1% less in premiums.

This announcement affects 3,700 political subdivisions and public entities, including school districts, counties, and, of course, municipalities. The cut applies to those entities covered by the State Insurance Fund. BWC Administrator and CEO Sarah Morrison said in a statement the cuts are intended to show BWC's support for

seeing public employers succeed. "We know the less they spend on premiums," she said, "the more they can invest in their communities and into safer work environments for their employees."

OML is glad to see the BWC taking steps to invest in local governments by cutting premiums for public employers. It is vital that municipalities have the capital to invest in public safety, infrastructure and other services while being able to provide quality coverage for the people they employ to provide those services. We hope to see the continued trend of investments in municipalities like this one in the future.

JUDGE RULES ON SINGLE-SUBJECT SB 331/SMALL CELL WIRELESS INFRASTRUCTURE CASE IN FAVOR OF CINCINNATI

Judge Ethna Cooper of the Hamilton County Court of Common Pleas has granted the city of Cincinnati's Motion for Summary Judgement in their challenge to SB 331. As many will recall, SB 331 was passed in the 131st General Assembly and initially dealt with animal welfare. An amendment was added that would allow wireless telecommunication providers the ability to deploy small cell wireless infrastructure in a municipality's right of way without affording a municipalities ability to control many aspects of the deployment of the new technology in their communities. League members will also remember that we reported last week that an interested party meeting was convened last week by Ohio House Speaker Cliff Rosenberger and lead by Reps. Rob McColley (R-Napoleon) and Ryan Smith (R - Bidwell) to discuss legislative changes to address concerns and objections municipalities have with the enacted statewide deployment language in SB 331.

Judge Cooper ruled that the small cell provisions in the bill were improperly added and were therefore in violation of the Ohio Constitution's single-subject rule. In her opinion, the Judge writes "the Court can find 'no practical, rational or legitimate reason' for combining these provisions into one act."

The League is pleased the Judge recognized the unconstitutionality of the provision and hopes the summary judgement can help inform other cities' ongoing litigation.

ACEC RELEASES WHITE PAPER ON OHIO TRANSPORTATION FUNDING

Last week, the American Council of Engineering Companies (ACEC), a council representing more than 5,000 engineering firms throughout the country, released a white paper titled "Funding Ohio's Transportation System".

According to the white paper, which you can read [HERE](#), Ohio has the third largest number of urbanized areas in the country. An Access Ohio study is cited which projects a \$14 billion financial gap between funding and transportation infrastructure needs from now through 2040. The paper breaks down current transportation needs and proposes several solutions lawmakers can take to ensure those needs are met. As Ohio's economic vitality increases, so does the strain on our roads and bridges. If Ohio's economy is going to continue to grow, we are going to need to increase investment in our transportation infrastructure so Ohio can remain a viable option for businesses and the workforce.

The League has been advocating to legislators to identify new means of investing in infrastructure, as well as engaging interested parties that have an interest in seeing Ohio increase its financial commitment to the infrastructure needs of our communities. This analysis, along with others, help direct Ohio's legislative leadership to better understand these challenges.

COMMITTEE SCHEDULE FOR THE WEEK OF OCTOBER 1, 2017

Tuesday, October 3, 2017

SENATE JUDICIARY

Tue., Oct. 3, 2017, 10:15 AM, North Hearing Room

Sen. Bacon: 614-466-8064

SB195** DOGS LAW REVISIONS (BEAGLE B, LEHNER P) To revise provisions of the Dogs Law governing nuisance, dangerous, and vicious dogs, to revise enforcement of that Law, and to establish a notification process regarding complaints of certain violations of that Law.

First Hearing, Sponsor Testimony

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

Wednesday, October 4, 2017

SENATE WAYS AND MEANS

Wed., Oct. 4, 2017, 9:00 AM, South Hearing Room

Sen. Eklund: 614-644-7718

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.

Fourth Hearing, All Testimony

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

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY COMMITTEE SCHEDULE
UPDATES**



Legislative Bulletin

September 22, 2017

This week kept the Ohio Municipal League busy, with many bills of municipal interest receiving hearings in various committees. This week, a wide variety of issues impactful to municipalities were being addressed legislatively which included proposals to change to Ohio's sovereign immunity law, increase penalties for distracted drivers, relax notification procedures related to Ohio's concealed carry statutes, and many more. League staff also participated in several meetings with legislators discussing potential upcoming legislation, including an interested party meeting which was convened by House leadership to begin the conversation on addressing issues related to the deployment of small cell wireless technology within a municipality's right of way and the objections raised by municipalities related to the language passed by the legislature last year via SB 331, for a statewide deployment plan.

Additionally, this week on Wednesday the league hosted our third quarterly Legislative Municipal Study Group Breakfast. We are grateful to all who rose early in the morning to meet with us and discuss the important issue of infrastructure funding throughout the state and to examine actions taken by other states. It was a productive discussion and we are looking forward too many more to come.

Legislative activity will likely slow a little over the coming weeks, as the Legislature is not scheduled to resume session until the week of October 10.

OML HOSTS THIRD QUARTERLY MUNICIPAL STUDY GROUP BREAKFAST FOR LEGISLATORS

Early Wednesday morning, legislators from both chambers along with municipal advocates gathered together in the downtown Sheraton hotel to discuss a critical topic facing our state: infrastructure funding. Attendees heard from Sean Sloan, Director of Transportation and Infrastructure Policy at the Council of State Governments. Mr. Sloan presented an in-depth overview of how states around the country are addressing their own infrastructure needs and where Ohio is in the national conversation of addressing infrastructure needs. The power point presentation can be accessed [HERE](#). Through his presentation, Mr. Sloan shared with the group that, among other things:

- Since 2012, 31 states have enacted a funding increase specifically for infrastructure.
- This year, 10 states approved new fees for electric and/or hybrid vehicles; 8 states raised their gas tax while other states have approved one-time transportation funding.
- 17% of public roads in Ohio are rated as being in "poor" condition while 6.9% of the bridges are structurally deficient.

Following his presentation, Mr. Sloan took questions regarding which practices did or did not work in states within the region.

The breakfast Wednesday is just a small part of the efforts the league and other groups are making to generate action by our state policy makers to take a leadership role in addressing the critical infrastructure needs throughout the state. Roads, bridges, dams, water and sewer infrastructure across Ohio face delayed repairs and funding challenges that impact both the safety and the quality of life of Ohioans. Especially on a municipal level, crumbling infrastructure impacts not only the citizens that live and work in our cities and villages, but also impacts the many businesses that call an Ohio municipality home. The Ohio Municipal League maintains

that an investment in municipal infrastructure is an investment in Ohio's economy. We look forward to continuing the discussion with local leaders around the state and with members of the Ohio State Legislature.

HOUSE LEADERSHIP CALLS INTERESTED PARTY MEETING FOR SMALL CELL WIRELESS LEGISLATION

This past week, House leaders Rep. McColley (R - Napoleon) and Rep. Smith (R - Bidwell) called for a meeting of municipal leaders and representatives from the wireless industry to have a discussion regarding potential forthcoming legislation concerning small cell wireless technology within a municipality's right of way. House leaders have heard from municipalities' and the objections expressed with the provisions included in SB 331, which was passed last year, and have initiated the discussion as a means to address the concerns expressed in new legislation. It was expressed during the meeting that one of the desired outcomes of future legislation could create a solution amenable to both parties and which would make the current action within the courts unnecessary.

Representatives from multiple municipal organizations were present, including the Ohio Municipal League, the Central Ohio Mayors and Managers Association, the Dayton Area Mayors and Managers Association, the Hamilton County Municipal League, the Northeast Mayors and Managers Association, and the Mayor's Alliance. Regions that were not represented at the meeting will be included in conversations going forward. Also present were representatives from American Municipal Power, individual municipal advocates and lawyers, and representative from AT&T. Municipalities voiced their eagerness to work with wireless companies in order to get their constituents the latest wireless technology as quickly and efficiently as possible, but strongly reiterated the need for local control within their jurisdictions. AT&T has agreed to sit down with several representatives from municipal groups to work through the needs municipalities will outline in order to work towards legislation with which both parties can live. Prior to the meeting, League staff and representatives from municipal groups have begun to outline the provisions the new bill must contain in order to preserve local control while local governments work with wireless companies to roll out the latest wireless technology. Forthcoming meetings should take place within the next couple of weeks. We will keep our members apprised as this process continues.

BILL THAT WOULD ELIMINATE SOVEREIGN IMMUNITY GETS SECOND HEARING

HB 267, which we covered in last week's legislative bulletin, received proponent testimony in the House Civil Justice Committee. The bill, sponsored by Rep. Ingram (D - Cincinnati) would essentially eliminate immunity for political subdivisions in the case of a motor vehicle accident except for the instance where someone wrecks as a result of being pursued by local law enforcement officers.

The bill was introduced because of an incident in Cincinnati in sole verbal proponent when a car was struck by a Cincinnati Police Department vehicle. There is no "middle ground" in this legislation and the bill effectively does away with all sovereign immunity for all political subdivision across the state.

League staff are closely monitoring this bill. In the event the bill is allowed a third hearing, we will be asking members to either come to the Statehouse to testify against the legislation or to submit written testimony opposing it. The State Legislature must be made to understand the devastating effect the total removal of sovereign immunity would have on our municipalities, as well as the unseen, unanticipated consequences that would happen if this legislation were to become law.

BILLS OF MUNICIPAL INTEREST RECEIVE COMMITTEE HEARINGS

Committee hearings in both the House and the Senate were packed with bills that could impact Ohio municipalities. Here is an overview of the bills League staff is tracking that received a hearing this week:

In the House Financial Institutions, Housing and Urban Development Committee, HB 251 received its third hearing. Sponsored by Rep. Greenspan (R - Westlake) , the bill increases the maturity period of a local government's bond from five to ten years. Proponents of the bill, including Cuyahoga County Councilman Jack Schron, said that local governments would be more likely to take advantage of local bond programs if the maturation period is expanded. At present, he said during testimony, the five-year limit is impractical for many local entities because of the fees.

The Senate Local Government, Public Safety and Veterans Affairs Committee heard several bills of municipal interest, including SB 127, which is sponsored by Sen. LaRose (R - Hudson) and sets requirements for motor vehicles approaching a waste collection vehicle while it is collecting trash. During testimony, proponents of SB 127 said they would feel safer if cars were required to move over and slow down when approaching a garbage collection vehicle. Some testifiers were permanently disabled after having been struck by a vehicle while on the job. HB 95, which is sponsored by both Rep. Hughes (R - Upper Arlington) and Rep. Seitz (R - Cincinnati), and enhances the penalty for committing a moving violation because of distracted driving, especially with regards to cell phones and similar devices. Proponents of HB 95 cited law such as one that made texting while driving a secondary offense, has effectively reduced distracted driving. HB 125 was also heard, which is sponsored by Rep. Craig (D - Columbus) and Rep. Seitz and was covered in last week's legislative bulletin. The bill specifies that small municipalities without mayor's courts may not charge fines and fees for traffic violations that exceed the amounts charged by the state, municipal or county schedule while prohibiting townships from using traffic cameras on interstates. During her proponent testimony, he Clerk of the Franklin County Municipal Court Lori Tyack decried the inconsistency in record keeping, processing and fining in jurisdictions without mayor's courts. She said the legislation caps maximum fines while preserving a defendant's right to appeal.

SB 180 was heard in the Senate Judiciary Committee. The bill, sponsored by Sen. Uecker (R - Miami Township) and Sen. Hottinger (R - Newark), makes multiple changes to law regarding firearms. It assigns the prosecution the burden of disproving a self-defense or similar claim and does not require a person to retreat before using force if the person legally has the right to be in that location. It also modifies the Concealed Handgun Licensing Law, eliminating the requirement a licensee's duty to keep their hands in plain sight once a law enforcement officer begins approaching their vehicle if it is deemed impractical for the licensee to do so. It reduces the penalties for illegally carrying a concealed firearm or improperly handling firearms in a motor vehicle to a minor misdemeanor if no other offense was committed. Lastly, it eliminates the requirement for various entities to post warning signs prohibiting the possession of weapons on specified premises. This would extend to police stations, municipal jails and courthouses, sheriff's offices, highway patrol stations, local correctional institutions, and local government rest facilities among many others.

The House Criminal Justice Committee held a first hearing on HB 278, sponsored by Rep. Patton (R - Strongsville) and Rep. Kelly (D - Cincinnati), which expands the definition of vehicular assault to include injuring a law enforcement officer while negligently operating a motor vehicle. Rep. Patton said the bill was inspired by the tragic deaths of two Ohio law enforcement officers who were struck and killed on the side of a highway while on duty.

The House Economic Development, Commerce and Labor Committee heard HB 221 and HB 163. HB 221, sponsored by Rep. Hughes, requires home inspectors to be licensed and creates the Ohio Home Inspector Board to regulate both licensure and home inspector performance. During the committee hearing, a substitute bill was adopted, which among other things removed language requiring home inspectors to maintain insurance coverage and retain records for five years. It also creates the home Inspection Recovery Fund. Proponents of the bill applauded the increased educational requirements within the bill, while opponents suggested having home inspectors register with the state as opposed to licensing. HB 163, sponsored by Rep. Roegner (R - Hudson) and Rep. Riedel (R - Defiance) heard proponent testimony. The bill would allow local governments decide for themselves whether or not to impose prevailing wage within their jurisdiction. Supporters championed local control and challenged the notion that prevailing wage statutes mean higher-quality projects or better workplace safety records.

HB 54, sponsored by Rep. Blessing (R - Colerain) and Rep. Gaverone (R - Bowling Green) had its third hearing in the Senate Finance Committee. Representatives of private banks testified against it, unhappy about the fact that banks would be competing with the State Treasurer for the opportunity to loan money to local governments. OML submitted written testimony in support of the bill, which you can read [HERE](#).

The House Federalism and Interstate Relations Committee voted out a bill requiring concealed handgun licensees notify law enforcement officers that they are carrying a concealed handgun during traffic stops once the law enforcement officer has asked for their driver's license or state ID card. HB 142 clears up confusion within current law, which requires "prompt" notification from concealed-carry licensees. The bill, sponsored by Rep. Wiggam (R - Wooster) was originally intended to eliminate the requirement that concealed handgun licensees notify law enforcement officers that they are concealed-carry licensees during traffic stops.

The Senate Ways and Means Committee held hearings on SB 113 and HB 69. SB 113, sponsored by Sen. Colely (R - Liberty Township), levies an additional vehicle registration tax while allowing consumers to buy gas where the price has been reduced by 28 cents - the equivalent of the state's motor fuel tax. It also exempts gas sold at that reduced price from the state motor fuel tax. There was no proponent testimony given or submitted as written. HB 69, sponsored by Rep. Cupp (R - Lima), would require municipalities in a TIF with a township to reimburse the township for fire and EMS services if those services are provided by the township. Proponents cited the fact that townships cannot levy income or sale tax or receive casino revenue as a reason for the necessity of the reimbursement.

Three bills of municipal interest were heard in the House Finance Committee: HB 3, HB 168 and HB 281. HB 3, sponsored by Rep. Duffey (R - Worthington) and Rep. Hagan (R - Alliance) would incentivize government entities to standardize their records keeping. Proponents said the bill would save local governments money while helping them learn from each other about which strategies are the most cost-effective. Among the proponents was OML Executive Director Kent Scarrett, who applauded the transparency bill would create and expressed his hope the appropriation would stay in the bill in order to incentivize municipalities to take part in the program. HB 168, sponsored by Rep. Stein (D - Norwalk), was amended and voted out of committee. Among the bills provisions are specifications that cemetery owners must reasonably maintain cemeteries and the establishment of both a Cemetery Grant program and a recovery fund to protect victims of preneed funeral fraud. HB 281, sponsored by Rep. Carfagna (R - Westerville), would establish a residential broadband expansion program with the Development Services Agency to award matching grants to local governments for last mile broadband expansion. Rep. Carfagna cited the fact that there are approximately one million Ohioans without internet, particularly in rural areas, as the reason for his introducing the bill. OML is supportive of this proposal, as the digital divide in Ohio continues to prevent the growth of economic development opportunities throughout the state.

In the House State and Local Government Committee, sponsor testimony was heard for HB 291, which is being sponsored by Rep. Wiggam. Known as the "Protect Local Treasuries Act", the bill would allow local governments to buy insurance against dishonest elected officials and public employees in lieu of bonding. Rep. Wiggam cited the need for his legislation due to the old system being "antiquated."

HB 312 received sponsor testimony in the House Government Accountability and Oversight Committee. The bill, sponsored by Rep. Schuring (R - Canton) and Rep. Greenspan establishes uniform protocols for the use of credit cards in local governments. Rep. Greenspan noted that the legislation is not intended to add an administrative burden to local governments, as 90% of political subdivisions already have existing policies.

The Senate Energy and Natural Resources Committee amended SB 51, sponsored by Sen. Skindell (D - Lakewood) and Sen. Eklund (R - Munson Township), which creates a special improvement district to facilitate Lake Erie shoreline improvement. One amendment ensured any property held in trust by the state would not be taxed as a result of the district's creation, and another amendment ensures property owners and homeowner and

condominium associations impacted by the district are on board with the legislation and ensured the district defers to those associations' bylaws.

Finally, the House Community and Family Advancement Committee heard opponent testimony on HB 187, which is sponsored by Rep. Dever (R - Madeira). The bill regulates the use, collection and retention of certain information obtained from a job applicant during the hiring process. Written opposition from business groups stated there was no precedent within the status quo that made the bill necessary and placed a significant burden on Ohio's employers.

MUNICIPAL LEGISLATION INTRODUCED THIS WEEK

Two new bills of municipal interest were introduced this week. The first is a bill by Rep. Perales (R - Beacercreek). HB 351 would exempt the military pay of members of the commissioned corps of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service (USPHS) from municipal income tax. According to Rep. Perales's office, the bill would apply to less than 100 Ohioans who fall into either commissioned corps.

The second bill is SB 187, sponsored by Sen. Eklund and Sen. Wilson (R - Maineville). The bill would allow municipalities to charge delinquent taxpayers the costs of collecting municipal income tax, regardless of whether those costs were incurred before or after a judgement is entered against the taxpayer.

We will be tracking both bills as they move through the legislative process and will be keeping our members apprised of their progress.

DON'T FORGET TO REGISTER FOR OML'S ANNUAL CONFERENCE!

OML'S Annual Conference is practically here! The final touches are being made to the program and we are really excited about the speakers and important issues covered on the agenda. Again, this year we have invited members of the General Assembly to join us at any of the sessions or at the luncheon Thursday to hear nationally syndicated columnist, pundit, author and radio commentator Cal Thomas share his insights on the state of politics in America, providing common sense perspectives to uncommon circumstances. Registration material is available on our new website, which you can access [HERE](#). Please click and register to take advantage of our early bird registration discount. Unfortunately at this time, attendees are unable to pay for the conference through the website, as we are working through some technical timelines to get that service up but we are closer to having that option available. We will announce to our members once that feature comes on-line, in the very near future. We are looking forward to seeing everyone November 1-3rd at the downtown Columbus Renaissance hotel for the conference!

COMMITTEE SCHEDULE FOR THE WEEK OF SEPTEMBER 24, 2017

Tuesday, September 26, 2017

SENATE FINANCE

Tue., Sep. 26, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

HB54** STATE REVENUE OBLIGATIONS (BLESSING III L, GAVARONE T) 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.

Fourth Hearing, All Testimony, AMENDMENTS

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

Wednesday, September 27, 2017

SENATE WAYS AND MEANS

HB118** TAX COMPLAINT DISMISSAL (MERRIN D) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.

First Hearing, Sponsor Testimony

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

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.

Third Hearing, All Testimony

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

CHECK OUR WEBSITE MONDAY FOR ANY COMMITTEE SCHEDULE UPDATES



Legislative Bulletin

September 15, 2017

The Ohio General Assembly is officially back from summer recess this week. Multiple committees held hearings throughout the week and the House held session on Wednesday. The OML continues to attend committee hearings, track legislation and meet with legislators on both current and proposed legislation. In addition to the legislative activity picking-up, the OML Annual Conference is practically here! The final touches are being made to the program and we are really excited about the speakers and important issues covered on the agenda. Again, this year we have invited members of the General Assembly to join us at any of the sessions or at the luncheon Thursday to hear nationally syndicated columnist, pundit, author and radio commentator Cal Thomas share his insights on the state of politics in America, providing common sense perspectives to uncommon circumstances. Registration material is available on our new website, which you can access [HERE](#). Please click and register to take advantage of our early bird registration discount. Unfortunately, at this time, attendees are unable to pay for the conference through the website, as we are working through some technical timelines to get that service up but we are closer to having that option available. We will announce to our members once that feature comes on-line, in the very near future. We are looking forward to seeing everyone November 1-3rd at the downtown Columbus Renaissance hotel for the conference!

COMMITTEES HEAR BILLS OF MUNICIPAL INTEREST

Multiple committees in both the House and Senate held hearings this week that included bills of municipal interest. The Senate Local Government, Public Safety and Veterans Affairs committee held a first hearing on HB 125, sponsored by Rep. Craig (D - Columbus) and Rep. Seitz (R - Cincinnati). The bill specifies that small municipalities without mayor's courts may not charge fines and fees for traffic violations that exceed the amounts charged by the state, municipal or county schedule. Rep. Craig stated during testimony that the bill addressed the issue of fairness by ensuring some drivers were not subjected to speed traps that resulted in exceedingly large fines. Both Representatives cited they had heard of some municipalities charging up to \$1,500 in traffic penalties. The bill was amended to specify that township police do not have the jurisdiction to use traffic cameras on interstates, which Rep. Seitz said was a "loophole" in current law.

The Senate Judiciary Committee heard proponent testimony on Sub. HB 38, sponsored by Rep. Greenspan (R - Westlake) which makes killing a first responder or member of the military a first-degree felony if the murder was done solely on the basis that the individual was either a first responder or a member of the military. "No first responder should have to worry or wonder whether the call they are responding to is legitimate or is an attempt to lure them to a location," said U.S. Marshal Peter Elliott, of the Northern District of Ohio, who offered proponent testimony on the bill.

HB 54, sponsored by Rep. Blessing (R - Colrain) and Rep. Gaverone (R - Bowling Green), heard proponent testimony in the Senate Finance Committee. The bill creates a state bond bank under the authority of the Ohio Treasurer's office for permanent improvement projects for qualifying local governments. The sole testifier was a representative from the Treasurer of State's office. Rep. Skindell (D - Lakewood) asked that the bill language be clarified to specify the state's "full faith and credit" would not be behind the proposed state bond bank. The Treasurer's office agreed to look into the proposed change. Sen. Coley (R - Liberty Township) wanted to know why the bill proposed to have the Treasurer's office compete with private banks, who also offer bonds to local authorities for permanent improvement projects. The Treasurer's office responded that the proposed state bond bank would remove the cost barriers some municipalities face in procuring those bonds.

The House Public Utilities Committee heard sponsor testimony for Rep. Duffey's (R - Worthington) bill, HB 249, which grants the Public Utilities Commission of Ohio the authority to set regulations over utility reselling. The bill's language says it does not limit the authority of a municipality to "prohibit or limit residential utility reselling."

HB 263, sponsored by Rep. Lanese (R - Grove City) allows dogs on outdoor dining area at the discretion of the restaurant. Heard in the House Economic Development, Commerce and Labor Committee for sponsor testimony. This bill preempts the authority of municipalities to set health regulations by instead allowing the individual restaurant to decide whether or not dogs are allowed on restaurant patios.

The companion legislation for HB 264 is SB 182 Rep. Coley (R - Liberty Township). It received sponsor testimony this week in Senate Health, Human Services and Medicaid. When fielding questions after his testimony, Sen. Coley said he would not support adding language to the bill that would require restaurant owners to remove pets from a patio if a patron complained of a dog allergy, nor would he support requiring the restaurant to post signs stating their policies.

HB 226, presented by Rep. Seitz and Rep. Sweeney (D - Cleveland) establishes a fireworks study group and legalizes the sale, possession and use of fireworks within Ohio. It was passed 11-1 out of the House Government Accountability and Oversight Committee. This bill as initially drafted included provisions that preempted local ordinance over the use of fireworks; however, that language was removed before the bill passed out of the House.

Two bills by Rep. Henne (R - Clayton), HB 268 and HB 269, deal with Worker's Compensation Law. HB 268 changes the aspects of the self-insuring employers section of the law, including expanding the number of companies that qualify by BWC regulations to self-insure, as well as allowing current self-insurers to transfer their exposure to a third party. "Options save money and offer a more competitive product or service," said Rep. Henne. "Right now BWC is the only game in town." HB 269 generally overhauls worker's compensation, including incentivizing the participation in safety programs, mandating the BWC create individualized "return-to-work" plans for all workers on temporary total disability, and end all wage replacement at retirement. Both received sponsor testimony in the House Insurance Committee.

HB 26, sponsored by Rep. Ingram (D - Cincinnati) eliminates certain defenses to a political subdivision's liability when an employee negligently operates a motor vehicle. According to the language, political subdivision immunity would have zero immunity in every instance there is a motor vehicle accident involving a government vehicle, except in the instance where an individual crashes his or her car during a police chase. It received sponsor testimony in House Civil Justice Committee.

OML HOLDS THIRD QUARTERLY MUNICIPAL ADVOCATE ROUNDTABLE

On Thursday, the league hosted a third meeting of municipal advocates across the state to discuss issues being addressed by the legislature and matters of municipal concern. The discussion focused mainly on several key issues, one of which was the municipal net profit centralized collection language in HB 49, the recently-passed budget bill and the conversations of municipalities coalescing together to join a lawsuit against the enactment of that proposal. The group also discussed the status of the small cell infrastructure language that was included in SB 331 last year and the conversations that have been occurring about alternate legislative language. Finally, the group discussed the evolving concerns of the opioid epidemic in Ohio and how to forge better partnerships with the state to address the challenges facing cities and villages and other legislation current and on the horizon that would impact municipalities.

The meeting was insightful and productive, and we appreciate all who were able to attend, including Gene Hollins from Frost Brown Todd LLC, who provided the group with an update on the status of the conversations occurring regarding the centralized collection challenge. The league is organizing these quarterly meetings to facilitate important discussions and to provide an opportunity for legislative advocates on Capital Square with

municipal clients to receive and share the most timely information on matters impacting Ohio's municipalities in an effort to better ensure a coordinated and cohesive approach to educating members of the Ohio General Assembly of the needs and concerns of cities and villages.

CALL TO TESTIFY: HB 163, PREVAILING WAGE LEGISLATION

On Tuesday, Sept. 19 at 1:30 p.m. in Statehouse Hearing Room 113, the House Economic Development, Commerce and Labor Committee will be holding a second hearing on HB 163, legislation introduced by Reps. Kristina Roegner (R-Hudson) and Craig Riedel (R-Defiance) that would grant local governments the permissive authority to opt out of the state's prevailing wage law for publicly funded construction projects that exceed \$250,000 in value. The hearing is for proponents only.

Those who are interested in testifying in support of the legislation can contact committee chairman Rep. Ron Young's office at rep61@ohiohouse.gov or (614) 644-6074 for a witness slip and to be added to the list of those interested in testifying. The chairman asks that a written copy of testimony to be submitted to his office 24 hours before the hearing or by Monday, Sept. 18 at 1:30 p.m.

If you have any questions, please contact OML Director of Communications Ashley Brewster at 614-221-4349 or the chairman's office.

HOUSE PASSES POLICE CHIEF TRAINING, DISASTER RELIEF BILLS

On Wednesday, the Ohio House of Representatives passed two bills that impact municipalities. The first is HB 133, Rep. Ryan's (R - Newark) Disaster Relief act. It exempts out-of-state disaster businesses and qualifying out-of-state disaster relief workers from state and local taxation for up to 60 days when a presidential emergency is declared due to a natural disaster and critical infrastructure repairs are performed. The bill passed unanimously and will head to the Senate for consideration.

The second is SB 37 (Hite), which requires the Ohio Peace Officer Training Commission to develop and conduct a chief of police training course for newly-appointed chiefs of police for villages, cities and townships. It passed 88-9 and will head to the Governor for his signature.

BILLS OF MUNICIPAL INTEREST INTRODUCED THIS WEEK.

Several bills were introduced this week that would impact municipalities. Two are from Rep. Merrin (R - Monclova Township) which includes HB 343 that would require local governments that contest property values to formally pass an authorizing resolution for each individual contest and to notify each property owner. Also, HB 342 was introduced which only allows local tax-related proposals to appear on general and primary election ballots.

HB 339 was introduced by Representatives Schaffer (R - Lancaster) and Hagan (R - Alliance) which would license residential only construction contractors and changes the law regulating construction contractors.

We will be monitoring these bills closely and update our members on their movements.

NATIONAL LEAGUE OF CITIES UNVEILS NEW REPORT

The National League of Cities has released their latest report, City Fiscal Conditions 2017. The report, which you can read [HERE](#), indicates a potential slowdown in the municipal finance sector as city fiscal growth contracts for the second consecutive year. The findings are an important and insightful means to understanding conditions that relate to municipal fiscal health across the nation and the factors that impact the viability of municipalities in Ohio and across the country.

COMMITTEE SCHEDULE FOR THE WEEK OF SEPTEMBER 17, 2017

Tuesday, September 19, 2017

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Sep. 19, 2017, 9:00 AM, Hearing Room 114

Rep. Dever: 614-466-8120

HB251** BOND AND OBLIGATION MATURATION (GREENSPAN D) To increase from five to ten years the maturity period of other political subdivision's bonds and obligations eligible for investment of a subdivision's interim moneys.

Third Hearing, All Testimony

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

HOUSE WAYS AND MEANS

Tue., Sep. 19, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

HB292** STATE OF RESIDENCE TEST (SCHERER G) To modify the test for determining an individual's state of residence for income tax purposes.

First Hearing, Sponsor Testimony

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

SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS

Tue., Sep. 19, 2017, 9:45 AM, South Hearing Room

Sen. Uecker: 614-466-8082

SB127** WASTE COLLECTION VEHICLE PROTECTIONS (LAROSE F) To require motor vehicle operators to take certain actions upon approaching a stationary waste collection vehicle collecting refuse on a roadside.

Second Hearing, Proponent Testimony

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

HB125** TRAFFIC ORDINANCE JURISDICTIONS (CRAIG H, SEITZ B) To specify the jurisdiction of municipal and county courts over municipal traffic ordinances and to establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court.

Second Hearing, Proponent Testimony, AMENDMENTS

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

SENATE JUDICIARY

Tue., Sep. 19, 2017, 10:15 AM, North Hearing Room

Sen. Bacon: 614-466-8064

SB180** FIREARM RELATED LAWS-CHANGES (UECKER J, HOTTINGER J) To assign to the prosecution the burden of disproving a self-defense or related claim, to expand the locations at which a person has no duty to retreat before using force under both civil and criminal law, and to modify the Concealed Handgun Licensing Law regarding a licensee's duty to keep the licensee's hands in plain sight, the penalties for illegally carrying a concealed firearm or improperly handling firearms in a motor vehicle, and the posting of warning signs regarding the possession of weapons on specified premises.

First Hearing, Sponsor Testimony

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

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR

Tue., Sep. 19, 2017, 1:30 PM, Hearing Room 113

Rep. Young: 614-644-6074

HB163** PREVAILING WAGE PUBLIC IMPROVEMENT PROJECTS (ROEGNER K, RIEDEL C) To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects.

Second Hearing, Proponent Testimony

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

SENATE FINANCE

Tue., Sep. 19, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

HB54**

STATE REVENUE OBLIGATIONS (BLESSING III L, GAVARONE T) 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, Opponent/Interested Party Testimony

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

Wednesday, September 20, 2017

SENATE WAYS AND MEANS

Wed., Sep. 20, 2017, 9:00 AM, South Hearing Room

Sen. Eklund: 614-644-7718

SB113**

VEHICLE REGISTRATION TAX (COLEY W) To levy an additional registration tax on passenger cars, noncommercial motor vehicles, and commercial cars and trucks beginning on January 1, 2020; to authorize a per-gallon motor fuel retail price reduction for consumers that is equal to the state per-gallon motor fuel tax of \$.28; and to exempt each gallon of motor fuel that is sold at the reduced retail price from the state motor fuel tax.

Second Hearing, Proponent Testimony

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

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.

Second Hearing, Proponent Testimony

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

HOUSE FINANCE

Wed., Sep. 20, 2017, 9:30 AM, Hearing Room 313

Rep. Smith: 614-466-1366

HB168**

CEMETERY MAINTENANCE AND REGISTRATION (STEIN D) To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

Second Hearing, No Testimony, AMENDMENTS/POSSIBLE VOTE

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

HB281**

BROADBAND EXPANSION PROGRAM (CARFAGNA R) To establish the residential broadband expansion program within the Development Services Agency to award matching grants for last mile broadband expansion in municipal corporations and townships and to make an appropriation.

First Hearing, Sponsor Testimony

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

HOUSE CIVIL JUSTICE

Wed., Sep. 20, 2017, 2:30 PM, Hearing Room 121

Rep. Butler, Jr.: 614-644-6008

OR AFTER SESSION

HB267**

LOCAL LIABILITY-VEHICLE NEGLIGENCE (INGRAM C) To eliminate certain defenses to political subdivision liability for an employee's negligent operation of a motor vehicle and to reduce damages recoverable against a political subdivision in such actions by the contributory fault of the plaintiff or other parties.

Second Hearing, Proponent Testimony

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

SENATE ENERGY AND NATURAL RESOURCES

Wed., Sep. 20, 2017, 2:30 PM, Senate Finance Hearing Room

	Sen. Balderson: 614-466-8076
<u>SB51**</u>	LAKE ERIE IMPROVEMENT DISTRICT (SKINDELL M, EKLUND J) To authorize the creation of a special improvement district to facilitate Lake Erie shoreline improvement.
	Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE
	Report(s): My Tracked Bills, OML Legislative Report

CHECK OUR WEBSITE MONDAY FOR ANY COMMITTEE SCHEDULE UPDATES



Legislative Bulletin

September 8, 2017

As the weather turns chilly, the Ohio State Legislature prepares to come back from summer recess. The OML attended the hearings on several pertinent bills in the few committee hearings that were held this week. Our meetings with legislators are resuming as more members are coming back to Columbus, and we will keep our members apprised as legislation affecting municipalities is introduced and makes its way through the legislative process.

SENATE COMMITTEES HOLD HEARINGS ON BILLS AFFECTING MUNICIPALITIES

Both chambers of the legislature will officially return from summer recess next week. In anticipation of session resuming, a few committees held hearings this past week.

Senate Ways and Means Committee held its first hearing on HB 69. Rep. Cupp (R - Lima) offered sponsor testimony on his bill, which would mandate that a municipality reimburse a township if they share a TIF in which the municipality does not have fire or EMS service, resulting in the township providing fire and EMS services to the TIF. When asked how many TIFs would be impacted by this bill, Rep. Cupp replied that while he did not have an exact count, the number of TIFs where the township provides sole fire and EMS services is not substantial. He further clarified this legislation would only apply to TIFs created after the passage of the bill. Rep. Hackett (R- London) expressed concern that this mandate would prevent the formation of future TIFs. Rep. Cupp said that while not much could be done if people didn't want to work together, the bill allows the township and municipality to negotiate the terms of this particular mandated reimbursement.

Senate Finance Committee held hearings on three pieces of legislation that would impact municipalities. The first was a first hearing on HB 54, sponsored by Rep. Blessing (R- Colerain) and Rep. Gaverone (R - Bowling Green). HB 54 would create a bond bank under the administration of the State Treasurer's office to make loans to qualifying local government for permanent improvements. It is modeled after a similar program for local governments to buy bonds for water and sewer projects. Local governments could participate at their discretion.

Sen. Skindell (D - Lakewood) raised several questions about the bill. He noted most other states' bond banks were separate authorities and asked if the bond rating authority would be separate from the state, and whether the state would provide its own dollars to the bond bank in order to provide the state's "full faith and credit" behind it. He also wanted to know if the state was the fallback if a local authority defaulted. The authors of the bill were willing to consider adding those provisions to the bill. Sen Skindell then wanted to know if the state was the fallback if a local authority defaulted: the authors were again unsure. Sen. Sykes (D - Akron) wanted to know how the bill differs from other means of borrowing money available to municipalities. The bill's authors said they would look into it.

A first hearing for SB 112, sponsored by Senate Minority Leader Sen. Schiavoni (D - Boardman). The bill would establish a green infrastructure fund and would appropriate \$10 million from the Ohio Public Utilities Commission and the Ohio Environmental Protection Agency for projects such as dam removal. Sen. Lehner (R - Kettering) wanted to know the estimated cost of total dam repair across the state. While he did not have specific numbers, Sen. Schiavoni referred to one dam removal that cost \$2.8 million. He said that while the proposed \$10 million wouldn't cover the costs for the hundreds of dams across the state in need of repair, it would be a start. Sen Lehner asked if the bill could ensure the \$10 million would not be used to simply patch up

dams, resulting in more work and more cost down the road. Sen. Schiavoni said he would look into it. Sen. Tavares (D - Columbus) asked if the \$10 million could be used to leverage other funds. Sen. Schiavoni replied that the money would open the door for local governments to leverage other sources of funding (like federal dollars and support from local businesses) that would normally require the entity to provide matching funds.

Sen. Schiavoni then offered sponsor testimony on SJR 4, which would allow state bonds for water and sewer for local governments. If the resolution is approved, the legislature would have the authority to authorize up to \$100 million each year for 10 years for water and sewer capital improvement projects. These funds would serve as another tool in the toolbox for municipalities, allowing underfunded projects to move forward towards their much-needed completion. Sen. Schiavoni said he'd worked with local governments who had passed similar resolutions, clean water advocates, and organizations around the state on this resolution. As with the Senator's previous bill, the resolution would allow local governments to leverage other sources of funding.

REPORTS RELEASED REGARDING LEGACY CITIES, JOBS

The Greater Ohio Policy Center, in collaboration with the Lincoln Institute for Land Policy, released a report last week detailing the challenges and opportunities for revitalization facing America's smaller legacy cities. The report is an important resource in the continuing conversation with legislators regarding the key role legacy cities' revitalization plays in Ohio's future. Ohio cities featured in the report include Akron, Dayton, Hamilton, Lima and Youngstown. You can read the full report [HERE](#).

Another report of municipal interest was released last week by the U.S. Bureau of Labor Statistics, detailing the national unemployment rate and employment in major industries, including farming, manufacturing and construction. You can read a summary of the report [HERE](#).

EPA REQUESTS STAKEHOLDER FEEDBACK, RELEASES REPORT

The Ohio EPA is in an early stakeholder outreach phase regarding the five-year review of the implementation of water quality standards rule for Total Maximum Daily Loads (TMDLs) in Ohio Administrative Code (OAC) Chapter 3745-2. The rule, OAC 3745-2-12, covers the procedures for developing TMDLs for waters listed as impaired on Ohio's 303(d) list (list of waters that do not meet Ohio's water quality standards as required by Section 303(d) of the Clean Water Act).

Minor updates to style are being considered along with revisions necessary to be consistent with requirements for TMDLs in House Bill 49 of the 132nd General Assembly, signed by Governor Kasich on June 30, 2017. In addition, HB49 specifically requires the EPA to adopt rules that establish both of the following items. At this time, the EPA is requesting feedback on how these two items should be addressed in the draft rule:

- Procedures for providing notice to stakeholders.
- Criteria for determining significant public interest in TMDL development.

Stakeholder outreach is an opportunity to shape the direction of rules before staff begin drafting rule language. By sharing your comments early in the process, the EPA can consider different concepts and ensure their rule development takes into account the effects the rules will have. Additionally, there will be other opportunities to comment on specific rule language later in the rulemaking process.

You can locate the TMDL fact sheet [HERE](#) You can also sign up for future TMDL notifications [HERE](#)

In addition, the EPA has released their Big Darby Creek Watershed Biological and Water Quality Report for stakeholder comment. The public comment period for the report ends on September 29. You can read the EPA's press release and find the actual report [HERE](#).



August 25, 2017

We hope all our members are enjoying these last few weeks of summer! While the legislature has not met since the House vote on veto overrides in the early weeks of July, the Senate was back in session to concur on some of the House's overrides this week. Both the House and Senate will come back from recess the week of September 13th. League staff are putting the final touches on the upcoming 66th Annual Conference program which will be held at the Renaissance Hotel downtown Columbus November 1st-3rd. The conference will provide league members with important information concerning issues confronting Ohio municipalities and will be a great opportunity for municipal officials from across the state to interact and network with other local leaders. We anticipate the conference agenda and registration information will be sent to league members the first week of September. This year, attendees will be able to also register online through our new website at www.omloho.org. For those interested in online registration, information will be provided in the upcoming conference mailing.

SENATE MEETS TO CONCUR ON SIX HOUSE VETO OVERRIDES

You may recall that early in July, the House of Representatives met to vote on overriding 11 items vetoed by Gov. John Kasich when he signed the State Operating Budget (HB 49) into law. This Tuesday, the Senate met to concur on six of those veto overrides. You can find a list of the total veto overrides [HERE](#).

The issues addressed yesterday largely dealt with Medicaid items. The Senate approved limiting the amount of the General Revenue Fund the Controlling Board could appropriate, as well as handing over control of Medicaid spending from the Controlling Board to the Legislature should the federal matching rate change. The overrides put control over Medicaid optional eligibility groups solely in the hands of the Legislature and delayed the state's behavioral health Medicaid redesign, while raising the Medicaid rates for skilled nursing facilities as well as rates for neonatal and newborn services.

Perhaps most notably for counties and transit authorities, and municipalities to a great degree, the Senate did not vote to concur on the House's override to increase their funding to account for the replacement of the Medicaid managed care sales tax. The Governor vetoed language in the budget that would have provided replacement revenue for Ohio's counties and the House overrode that executive action. It was shared by members of the Senate on the floor Tuesday that negotiations continue between the Senate and Governor's office on what the final policy should be on the subject. That particular issue will possibly be revisited by the Senate in the near future. The Senate has until the end of 2018 to take action on the remaining House overrides.

OML FILES AMICUS BRIEF SUPPORTING CLEVELAND'S WIN AGAINST BWC OVERCHARGES TO PUBLIC EMPLOYERS

The OML has filed an Amicus Brief seeking to have Cleveland's Common Pleas Court decision both affirmed and extended to all governmental non-group employers following the ruling made in *San Allen v. BWC*. A copy of the brief can be found [HERE](#).

In *San Allen v. BWC*, the Eighth Appellate District for Cuyahoga County held on May 15, 2014, that, "the BWC was responsible for developing and maintaining an unlawful rating system under which excessive premium discounts were given to group-rated employers at the expense of non group-rated employers." According to the

ruling, employers who were not part of a group and did not receive the significant discounts off base rates effectively paid "extra premiums".

The ruling went on to explain that, "for more than 15 years, the BWC allowed non group-rated employers to subsidize excessive, undeserved premium discounts to group-rated employers who were handpicked by group sponsors to participate in the BWC's group rating plan. The temerity of the group sponsors, un-tempered by any notions of equity from or of the BWC, exacted a heavy price for non group-rated employers - over \$859 million [. . .] The BWC first failed to follow a legislative mandate to establish a retrospective group rating plan, then set up a prospective group rating plan without sufficient controls to address the plan's susceptibility to manipulation by group sponsors and the potential for premium inequity as a result of the generous discounts provided to group-rated employers under the plan."

Because the *San Allen* case applied to private employers, and since the BWC refused to apply the decision to public employers, Cleveland filed suit and won a judgment of \$4,500,000.00 at the Common Pleas Court. This matter is now on appeal and the OML has filed an Amicus Brief supporting Cleveland.

In the view of the OML, the ultimate issue is one of both fundamental fairness and governmental integrity. For reasons that have never been disclosed, the BWC has refused to provide Ohio's governmental employers with the same premium refunds given to private employers, even after the unfairness of its group rating program were judicially recognized in *San Allen v. BWC*. The OML brief seeks to have Cleveland's Common Pleas Court decision affirmed and applied to all governmental non-group employers since the unanimous opinion in *San Allen* drew no distinctions between governmental and private employers.

We will provide updates for our members on the progress of the BWC appeal.

LEGISLATION INTRODUCED TO PREEMPT DOG RESTRICTIONS AT RESTAURANTS

Two bills have been introduced this summer in a duel effort to allow dog owners to bring their pets with them onto restaurant patios across the state of Ohio.

Earlier this year, the Columbus Department of Health announced a ruling that disallowed dogs onto restaurant patios. In response to the local enforcement effort, Rep. Lanese (R-Grove City) introduced HB 263, which would allow a restaurant to allow dogs on their patios if they so choose; restaurants are also allowed to ban dogs from their patios. This week, Sen. Coley (R-Liberty Twp.) introduced SB 182, the Senate companion bill to HB 263, which would permit restaurant owners to allow dogs onto patios insofar as the restaurant continues meeting all safety and sanitary requirements.

Both Rep. Lanese and Sen. Coley have cited their belief that restaurant management should have the right to make the decision regarding dogs on patios for themselves even when contrary to local health and sanitary enforcement efforts. Sen. Colley also shared that he is an owner of two large dogs and enjoys taking them to restaurants.

We will keep our members apprised of the progress of this legislation further expanding the size and scope of the influence of Ohio's state government.

CINCINNATI JOINS SUIT AGAINST OPIOID COMPANIES

Cincinnati has joined Ohio municipalities Dayton, Lorain and Parma in a federal lawsuit against three opioid companies: Amerisource Bergen Drug Corporation in Pennsylvania, McKesson Corp. in California, and Cardinal Health, which is based in Columbus.

A West Virginia law firm, which also represents 9 Ohio counties in their federal lawsuits, will be representing Cincinnati. The city filed a week after Ohio Attorney General Mike DeWine announced the state of Ohio is suing

several opioid manufacturers. DeWine announced the suit would be filed in southwest Ohio, as he said Ohioans had been hit the hardest there by the state's opioid epidemic.

Ohio municipalities are at the front lines of the opioid epidemic that is plaguing not only our state, but much of the nation. Local emergency services and law enforcement are first responders to opioid overdoses and continue to expend tremendous amounts of revenue to combat the epidemic. Addiction has heavily impacted much of Ohio's eligible workforce and has been a significant obstacle for many communities to keep residents employed and revenues flowing to local budgets to support services. Local communities take the brunt of the impact, and as such need the of support from the state to provide the requisite safety services our cities and villages need.

Municipalities like Cincinnati, Dayton, Lorain and Parma have seen what the opioid addiction has done to their local communities and are calling for accountability from the sources of those drugs. We will keep our members apprised of how the lawsuits proceed.

MEDICAL MARIJUANA UPDATE: CONTRACTS AWARDED FOR MARIJUANA TRACKING, LICENSING SYSTEMS

An important development has taken place in the creation of the state of Ohio's medical marijuana program. Earlier this week, the Department of Commerce announced it has selected two companies - Metrc and Persistent Systems Inc. - to develop two important computer systems for the program. Metrc will develop a seed-to-sale tracking system, while Persistent Systems was chosen to develop the eLicensing system.

The medical marijuana program, which is anticipated to be operational by September of 2018, is still seeking proposals from interested companies to run a computer system that would allow the state to monitor video surveillance systems at growers, processors, labs and dispensaries.

These awarded contracts have been hailed as "mile stones" for the program, whose rules will go into effect next month and will begin awarding cultivator licenses this November.

ODNR SEEKS MUNICIPAL CANDIDATES FOR CLEAN OHIO TRAILS FUND ADVISORY BOARD

The Ohio Department of Natural Resources (ODNR) Office of Real Estate and Land Management (REALM) has announced a vacancy on the Clean Ohio Trails Fund Advisory Board for the seat held by a city councilperson.

The Clean Ohio Trails Fund works to improve outdoor recreational opportunities for Ohioans by funding trails for outdoor pursuits of all kinds. Special emphasis are given to projects that:

- Are consistent with the statewide trail plan;
- Complete regional trail systems and links to the statewide trail plan;
- Link population centers with outdoor recreation area and facilities;
- Involve the purchase of rail lines linked to the statewide trail plan;
- Preserve natural corridors;
- Provide links in urban areas to support commuter access and provide economic benefit.

As a board member, the official will provide advice to the director of ODNR regarding the selection of applications that will be awarded matching grants under section 1519.05 of the Revised Code (<http://codes.ohio.gov/orc/1519.05>). The matching grant program is available to nonprofit organizations and local political subdivisions for the purposes of purchasing land or interests in land for recreational trails and for the construction of trails. More information about the Clean Ohio Trails Fund can be found at: <https://development.ohio.gov/cleanohio/RecreationalTrails/>.

Please email OML Director of Member Services Chrissy Blake at cblake@omlohio.org if you are interested in this position. Please include your resume and any applicable qualifications you may have, along with complete

contact information and recommendations. The appointments must be made by mid-September, so please contact us as soon as possible if you are interested.

OEPA TO HOLD FIRST SUSTAINABILITY CONFERENCE

The Ohio Environmental Protection Agency (OEPA) has announced its inaugural Sustainability Conference, which is set to take place in Columbus on October 3rd. The conference will share information on how to leverage sustainable practices and available resources to strengthen Ohio communities and businesses.

The event will be held at OSU's Fawcett Center and the registration fee is \$100. The general agenda for the day long conference covers a variety of sustainability-related topics including:

- Becoming a part of the Circular Economy
- Green Chemistry
- Promoting Recycling at Big Venues
- Integrating Sustainable Practices within your Community
- Innovative Approaches to Protecting or Restoring a Community's Water Bodies
- Jumpstarting Your Recycling Efforts
- Save Money by Saving Energy
- Funding Resources to Help You Install/Retrofit for Cleaner Air
- Funding Assistance for Ohio Businesses and Communities to Grow, Create Jobs and Protect the Environment ... and more

Both the full announcement and registration details for the conference can be found [HERE](#)



Legislative Bulletin

August 11, 2017

LEGISLATIVE SERVICE COMMISSION (LSC) RELEASES PROJECTIONS FOR FY 2018/'19 LOCAL GOVERNMENT FUND (LGF) DISTRIBUTIONS

As our members are aware, the recently passed state budget, Am. Sub. HB 49, included changes to the distribution amounts of the Local Government Fund (LGF) that will reduce revenue for many municipalities in Fiscal Years 2018 & 2019. Largely, these reductions are the result of the state redirecting revenue away from the municipal supplemental distribution fund that went to those cities and villages with an income tax to instead fund new statewide opioid crisis programs and an additional \$24 million in municipal LGF revenue redirected, over the biennium, to all Ohio townships and villages with a population under 1,000.

The Ohio Legislative Service Commission (LSC) has recently produced revenue projections on what political subdivisions in Ohio may receive in distributions for the next two years. We have separated Ohio municipalities from the full list of all entities and those tables can be found [HERE](#). The information is broken down first by county followed by city and village within that county.

We cannot ensure the complete accuracy of these figures; however, these are the closest projections that we have at this time. We hope you find the attached information helpful, and we will send out additional or updated information as we receive it.

LEGISLATION INTRODUCED TO RESTRICT MUNI INCOME TAX TO RESIDENTS ONLY INTRODUCED

Sen. Kris Jordan (R-Ostrander) has re-introduced legislation last week that would prohibit municipalities from taxing nonresident income or profits. SB 176 intends to limit municipalities to taxing only their residents, while relieving non-resident workers of any withholding obligations despite the cost in services municipalities provide for those who spend their workdays in Ohio's municipalities. The legislative language can be accessed by going to LSC's webpage: <https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA132-SB-176>.

Ohio's workforce enjoys the safe and dependable municipal infrastructure, water and sewage, fire and safety and other services provided by the municipalities where 85% of Ohio's workforce spend their working hours. Restricting municipalities to only taxing residents would result in substantial revenue losses that would disrupt that community's ability to be a place where Ohioans want to work, where businesses want to stay and where parents would want to raise a family.

The bill's previous iterations were never moved outside of the committee they were assigned to; however, we will be watching this legislation carefully and will alert our members with any additional updates should the bill receive hearings.



July 26, 2017

SUPREME COURT RULES HOME RULE VIOLATIONS SB 342 RED LIGHT CAMERA BILL

Today, the Ohio Supreme Court ruled in a 5-2 decision that portions of SB 342, the Red Light Camera bill from the 130th General Assembly, requiring police to be present for the enforcement of red light camera violations, violates Article XVIII of the Ohio constitution and the municipal Home Rule provisions.

The majority ruling struck three provisions in the statute passed in December 2014. In its decision, the court found that the legislative language limiting municipalities' authorities did not meet the test for "general laws" of the state. The challenge was initiated by the city of Dayton.

As part of SB 342, the language challenged mandated police officers to be present at the location of red light cameras before citations could be issued, it restricted citations based on a driver's speed, and would have required cities and villages to pay for studies and awareness campaigns before installing monitoring systems.

OML INCOME TAX CONFERENCE DIVES INTO STATE PLANS FOR CENTRALIZED COLLECTION; OTHER MUNI TAX ISSUES

On July 12-14th, the league hosted our annual OML Municipal Income Tax Conference which was held in downtown Columbus at the Renaissance Hotel. Municipal officials from across the state attended the three-day seminar which focused heavily on changes included in HB 49, the two-year state operating budget bill, that further alters the way the municipal income tax is administered, including the state's ability to administer a portion of the municipal net profit tax through the Ohio Business Gateway portal and the elimination of the Throwback rule.

In addition to the review of the language included in the budget and other topics related to the administration of the municipal income tax, conference attendees also heard from a panel of legislators who are key policymakers on tax related issues at the Ohio Statehouse and from officials from the Department of Taxation and Ohio Business Gateway.

We are grateful for the time Senator John Eklund, chairman of the Senate Ways and Means Committee, Representative Tim Schaffer, chairman of the House Ways and Means committee and Rep. Mike Henne spent with our attendees before and after their presentations and for sharing their views as they relate to local and state tax issues and what municipal officials might expect in future changes to ORC 718, the municipal tax section of the state code.

We also want to thank all the vendors who exhibited at the conference again this year. Finally, no conference could be a success without the expertise of those recruited to be session presenters. The 2017 tax conference provided refresher information on current tax practices and procedures and dove into some difficult to interpret changes to the administration of the municipal income tax via the new centralized collection scheme. We greatly

appreciate the hours our presenters spent preparing the information and for helping our officials better understand how the state intends to institute the new centralized collection system.

ATTORNEY GENERAL DEWINE ANNOUNCES OPIOID GRANT PROGRAM REQUEST FOR PROPOSALS: LAW ENFORCEMENT DIVERSION PROGRAMS

Ohio Attorney General Mike DeWine's Office (AGO) is currently accepting proposals to replicate or expand successful law enforcement diversion programs that address the opioid epidemic that are similar to the Drug Abuse Response Team in Lucas County and the Quick Response Teams in Hamilton and Summit Counties.

The total allocation for this grant program is \$3 million, over two years (FY 2018 and FY 2019). The AGO anticipates approving an average award of \$150,000 over two years. There is no minimum award request amount.

[Request for Proposals: Law Enforcement Diversion Programs Application](#)

[Law Enforcement Diversion Programs Budget Worksheet](#)

All proposals in response to this RFP are due no later than 5 p.m. EST on Friday, August 18, 2017. To submit an application or for technical assistance with any requirements of this solicitation, contact HeroinUnit@OhioAttorneyGeneral.gov.

Applications will be accepted by e-mail at HeroinUnit@OhioAttorneyGeneral.gov.

STATE FIRE MARSHALL NEWS

ABANDONED GAS STATION CLEANUP GRANT PROGRAM

By: Patricia Bulzan

Old, abandoned gas station sites can not only be an eyesore for a community, but a costly project to clean up and/or remove the underground petroleum tanks.

To help communities with these problem properties, the Ohio Legislature and Governor John R. Kasich created a \$20 million fund that aids communities in cleaning up and repurposing sites of abandoned gas stations.

This program has been effective in helping communities, like Columbus. Three orphan underground storage tanks (UST) were removed from a former gas station in 1993. In 2009, two more UST's were removed by the station owner and contamination was identified. Vapors were found to be traveling into a nearby home. Corrective action work was the responsibility of the station owner.

The owner proved that he was financially unable to continue after the closure assessment. The site, with no viable responsible party, was classified as a "C." A limited liability company purchased the property. Since they are not responsible for the release, the company partnered with the city to receive grant money and remediate the property. Remediation is still in progress.

The program is targeted at helping communities, developers and eligible property owners repurpose "Class C release" sites. This refers to a property where the responsible party is no longer alive or financially able to conduct the work.

There are more than 400 Class C properties in Ohio, which shows a tremendous opportunity for revitalization of many properties. This program is a joint effort between the Division of State Fire Marshal's Bureau of Underground Storage Tank

Regulation (BUSTR), the Ohio EPA and the Ohio Development Services Agency.

Up to \$100,000 can be awarded for property assessment costs, and up to \$500,000 can be awarded for clean-up and remediation activities. All properties awarded money must conduct activities in accordance with Ohio EPA VAP rules and/or under BUSTR's corrective action rules.

For specific questions regarding the grant program contact April Stevens, Development Services Agency, at **(614) 466-4007**.

OHIO EPA UPDATE:

SB 2: STATE OFFERS LOAN PROGRAM TO ASSIST COMMUNITIES WITH NEW ASSET MANAGEMENT REQUIREMENTS

Senate Bill 2 which was sponsored by Sen. Cliff Hite and passed by the Ohio legislature June 22, 2016, requires all public water systems to have an asset management program in place by October 1, 2018. OEPA is developing rules to reflect the statutory change of Senate Bill 2 along with the existing capability rules to address the managerial, technical, and financial capability of water systems.

The purpose of requiring an asset management program is to cut down on the number of disruptions in service that are due to lack of maintenance and planning.

An asset management program will need to be available for inspection and a system may be asked for a demonstration in more detail if they are looking to receive a loan, are going through enforcement, or are otherwise struggling with capability issues. For an asset management program to be effective it needs to be a dynamic program that is implemented and adequately funded.

To help water systems implement these requirements, Ohio EPA is offering Asset Management Planning loans. Information on loan nominations can be found at: <http://epa.ohio.gov/ddagw/financialassistance.aspx> and by contacting Susan Schell (susan.schell@epa.ohio.gov) at 614-644-2752.

For questions or more information on asset management program requirements, please contact Susan Schell or Emily Pohlmeier (Emily.pohlmeier@epa.ohio.gov) at 614-644-2752. Stay tuned for periodic updates and training opportunities as they become available.

OHIO EPA UPDATE cont. :

SENATE BILL 2:

NEW RULES REQUIRING ASSET MANAGEMENT

Asset management has many different definitions; in the end it boils down to getting the most out of your assets at the lowest cost to the system. In other words, a water system should be servicing assets frequently enough that the assets are not falling apart but are doing what they are meant to, without spending more time or money than is necessary to achieve those results.

OEPA is moving forward with the development of rules that would require an asset management program for all public water systems. These rules would reflect the statutory change of Senate Bill 2 which was signed on July 7, 2017 by the governor, along with the existing capability rules to address the managerial, technical, and financial capability of water systems. These rules will require all public water systems to have a written asset management program available for on-site inspection, however some water systems may be asked for a demonstration of their asset management program in more detail. A system may be asked for a demonstration in more detail if they are looking to receive a loan, are going through enforcement, or are otherwise struggling with capability issues.

To demonstrate managerial capability, the rules would call for the following information. Together these items can give a water system information they need to manage their system.

- A non-technical description of the water system, including major components, source, number of connections, etc.
- Ownership accountability and an operating plan containing a table of organization.
- Documentation of operator attended training.
- A written operation and maintenance plan.
- A written demonstration of procedures for addressing complaints, violations, etc.
- An inventory of contacts and purchasing procedures.

Technical capability would be demonstrated with the following:

- A map including location and name of major assets, such as water source, treatment, storage and distribution.
- An inventory of assets with an evaluation of each asset.
- Operation and maintenance programs that include testing procedures and protocols.
- Criteria and a timeline for the rehabilitation and replacement of assets.
- Capital improvement plan, including a project description, cost, and funding sources.
- Approved capacity projections and emergency and contingency planning.
- Levels of service that are developed and tracked by the water system.
- Metrics will be pre-determined by the state, depending on type of system. These will be tracked and reported by the water system.

The third major component of the asset management program rules being developed is financial capability. The following will be required in an asset management program:

- Pro-forma statements (5 years previous and 5 years projected).
- Income statement.
- Balance sheet.
- Statement of cash flow.
- Amortization schedule for outstanding debt.
- Capitalization terms of debt.
- Current water rate ordinance and triennial water rate evaluation. This can be used by the water system to evaluate when and by how much rates should be raised.
- Documentation of all customers billed per metered water usage.

- Information demonstrating bond or credit rating. Documentation that they have a bond or credit rating to assess their likelihood to pay back debt.

For an asset management plan to be effective it needs to be a dynamic program that is implemented and adequately funded. Levels of service and metrics will be used to ensure that asset management programs are being implemented. There will be a review of the levels of service a system has in place, which will be unique to each water system. At each time of review, the water systems will need to show progress toward their levels of service. All water systems would also be required to track and maintain a defined set of metrics. Metrics would differ depending on the type of water system. The OEPA will be looking for the water system to continue to improve on its metrics each year.

The purpose of requiring an asset management program is to cut down on the number of disruptions in service that are due to lack of maintenance and planning. The asset management rules require an asset management program of all public water systems. The rules include specificity on what is required in an asset management program. The OEPA sees asset management as a way to improve the capability of the state's water systems and improve the quality of service they provide. Senate Bill 2 requires all public water systems to have an asset management program in place by October 1, 2018.

To help water systems implement these requirements, Ohio EPA is offering Asset Management Planning loans. Nominations for these loans will be accepted at any time. The loan terms will be 5 years at 0% interest, with up to \$10,000 of principal forgiveness. More information on loan nominations can be found at: <http://epa.ohio.gov/ddagw/financialassistance.aspx>. For questions or more information on asset management program requirements, please contact Susan Schell (susan.schell@epa.ohio.gov) or Emily Pohlmeier (Emily.pohlmeier@epa.ohio.gov) at 614-644-2752. Stay tuned for periodic updates and training opportunities as they become available.

GRANTS TRAINING IN COLUMBUS AUGUST 14-15, 2017

Columbus Division of Police Regional Training Center and Grant Writing USA will present a two-day grants workshop in Columbus, August 14-15, 2017. This training is for grant seekers across all disciplines. Attend this class and you'll learn how to find grants and write winning grant proposals.

[Click here for full event details.](#)

Beginning and experienced grant writers from city, county and state agencies as well as nonprofits, K-12, colleges and universities are encouraged to attend.

We are excited to offer Ohio Municipal League members and their staff a special tuition rate of \$425 which includes everything: two days of terrific instruction, workbook, and access to our Alumni Forum that's packed full of tools, helpful discussions and more than 200 sample grant proposals. Please use discount code "OHASSN" to receive this \$30 discount off full price at registration.

Multi-enrollment discounts and discounts for Grant Writing USA returning alumni are also available. Tuition payment is not required at the time of enrollment.

Complete event details including learning objectives, class location, graduate testimonials and online registration are [available here](#).

Contacts:

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LEGISLATIVE SCHEDULE FOR SECOND HALF OF 2017

Leadership from the Ohio House of Representatives and Ohio Senate recently released the session schedules for the second half of 2017. The schedules can be found [HERE](#).

As always, dates and times for sessions are subject to change.



Legislative Bulletin

July 7, 2017

We hope all of our members enjoyed a relaxing Fourth of July weekend with their friends and family! Last week, before the long weekend, the General Assembly passed Sub. HB 49, the budget bill, and sent it to Governor Kasich for his signature. After vetoing 47 provisions within the bill, the governor signed the legislation into law late Friday night. A list of vetoed provisions can be found [HERE](#). The Statehouse has not seen the last of the budget, however. On Thursday morning, the House of Representatives held a special session where they overrode 11 vetoed items. The list of those items the House overrode can be found [HERE](#). The Senate must now decide whether or not to concur on these overrides, and as of right now, the Senate has not set a session date to entertain the actions taken by the Ohio House.

GOVERNOR VETOES MUNICIPAL WATER AMENDMENT IN BUDGET

One of Gov. Kasich's vetoes removed the language that would have designated municipalities that sold water and sewer infrastructure usage to surrounding communities at whatever price they deemed fair as "predatory annexations", triggering the withholding of 20% of their Local Government Funding.

The League strongly opposed this language when inserted to the budget by the Ohio House and asked for the item to be removed by the Governor through his veto authority. As written, the language would have applied solely to Columbus; however, in addition to prohibiting Columbus from exercising their rights of Home Rule, it would have set a dangerous precedent for all other municipalities.

We are grateful the Administration recognized this and vetoed the amendment.

GOVERNOR'S VETO OF MEDICAID EXPANSION FREEZE SURVIVES HOUSE HOLDS VETO OVERRIDE VOTES

On Thursday morning, the Ohio House of Representatives held a special session where they overrode 11 of the governor's vetoed items. The House voted 87-10 to override Gov. Kasich's veto of the Legislature's Medicaid managed care organization (MCO) sales tax replacement plan. Counties and transit authorities rely substantially on the revenue from the MCO sales tax, and legislators expressed during floor speeches that while the governor's plan to replace the MCO tax would result in a loss of revenue, the plan the Legislature passed would instead ask the federal government to allow Ohio to adjust rates over a six-year period to help local governments and transit authorities wean themselves off of that revenue. Their vote put the Legislature's plan back into the bill.

Most of the other veto overrides dealt with Medicaid as well. One veto override gave the Legislature the authority to control who is eligible for Medicaid. Another granted the Joint Medicaid Oversight Committee the authority to oversee any Medicaid rate increases. Two veto overrides will increase rates for neonatal and newborn services, as well as rates for nursing facilities, while two more overrides delay both moving Medicaid long-term care services into managed care, and adding behavioral health services into managed care. One veto override will grant the Legislature, not the Controlling Board, more authority over spending funding for state Medicaid should the federal government's matching rate change, and another will require the administration to seek another waiver for the Healthy Ohio Medicaid program. This waiver will mandate that certain enrollees must pay into a modified health savings account.

Other veto overrides dealt with issues other than Medicaid. One override will transfer appointment authority from the governor to the Legislature for members of the Ohio Oil and Gas Leasing Commission. The other will limit the amount of money the Controlling Board can appropriate to the Legislature's limit of half of a percent of the General Revenue Fund, which totals to roughly \$165 million.

One issue that was not voted on Thursday morning but which is technically still in play is the issue of the governor's Medicaid expansion freeze - a hotly-contested issue. Speaker Rosenberger (R-Clarksville) explained that the House is giving the federal government the summer to see how Congress's repeal-and-replacement of the Affordable Care Act progresses. He said the House could very well take up the issue for a vote in the fall. All veto items the House did not override they have marked as "pending", giving them the ability to act on the vetoes any time over the rest of the General Assembly.

The House's veto overrides now head to the Senate, which has not yet set a date to vote these issues. The Senate has the rest of the 132nd General Assembly (which will end in 2018) to vote to override the governor's vetoes, but will not be allowed to vote on items the House has not already overridden. Senate President Obhof has indicated these issues could be taken up during the summer, or could be considered when the Legislature comes back into session in the fall. With the announcement of this opened schedule to address items like the Medicaid freeze, the timing may lend itself to legislative attention being given to the matter during the infamous *Lame Duck* session. We will be sure to keep our members informed of the Legislature's movements on these issues throughout the coming months.

BUDGET BILL FUNDS LEADERSHIP INSTITUTE FOR STATE AND LOCAL OFFICIALS

On Wednesday, the Ohio State University's John Glenn College of Public Affairs celebrated the launch of the State of Ohio Leadership Institute (SOTI). The project, created by the Ohio State University and the University of Cincinnati, was designed to help new lawmakers at both the state and local level. The budget allocated \$5 million to ensure its creation.

House Speaker Rosenberger (R-Clarksville), who was a key supporter of the provision, cited examples of local officials unaware of state money available to local governments to fund local projects, or who were unsure how to apply for state and federal grants. Speaker Rosenberger, along with Speaker Pro Tem Schuring (R-Canton) said they'd asked for input with local officials in order to ensure the program was designed to provide what they'd need from the institution.

The program will not be available immediately, as the college will be designing the program and hiring new faculty to work alongside existing faculty, while continue to listen to input from local officials and legislators. The school also intends to use endowment money, along with philanthropic and corporate funds, to supplement the state's funding.

We encourage our members to see if the institute, once fully developed and deployed, will help them fulfill their obligations as both as public servants and as members of Ohio's local communities.

LEAGUE STAFF CHANGES

It is with a debt of gratitude and wishes for success that we and our members say goodbye to Josh Brown as he leaves the League's legislative team to take a new opportunity as Legal Counsel and Director of Legislative Policy for an expanding advocacy group in Columbus. Josh has served as Director of Communications for the

past two years and legislative advocate for the previous five years prior.

Josh came to the League from the Ohio House of Representatives, where he served as a Legislative Aide. He also proudly served in the US Army, US Senate and political organizations around the state. Josh brought to the League a vibrant appreciation for municipalities' need to preserve local control, as well as a solid understanding of issues related to labor law. During his seven years with the League, Josh has not only represented our members at the Ohio Statehouse, but he has also spent a good deal of time on the road, speaking to regional groups about issues being discussed in the legislature impactful to Ohio cities and villages.

We wish Josh great success in his new endeavors and appreciate the service he has shown to Ohio local governments.

With Mr. Brown's departure, we are happy to announce that Ashley Brewster has accepted the offer to serve as OML Director of Communications. Ashley has been with the League for almost a year and holds a bachelor's degree in Journalism and Public Relations from Grace College. Prior to joining the League, Ms. Brewster served as a Senior Legislative Aide in both the Ohio House of Representative and the Ohio Senate. With Ashley's strong communications skills and deep knowledge of the Ohio Legislature, we are excited about the new chapter of the League as we continue to transition into a more effective and solutions-oriented resource for Ohio's cities and villages.

Best of luck, Josh, and welcome to your new role, Ashley!

LEGISLATIVE PACE CHANGES FOR SUMMER RECESS

While Sub. HB 49, the two-year state operating budget, continues through the process of enactment in light of the Legislature's response to the Governor's vetoes last week, we want to alert our members that the Ohio General Assembly will be leaving Columbus soon and with their departure, the frequency of our legislative bulletins and alerts will too slow to a more reasonable pace. As such, when the legislature takes their summer recess and is out of session, our legislative bulletins will slow to every other week, or on an as needed basis, if special alerts warrant.

We hope everyone has a great summer.



Legislative Bulletin

June 30, 2017

GENERAL ASSEMBLY SENDS BUDGET TO GOVERNOR FOR SIGNATURE, VETOS

Yesterday afternoon, the Legislature favorably voted on Sub. HB 49, the state operating budget bill, sending it to Gov. Kasich for his signature. The Governor has until Friday, June 30th at midnight to sign the bill. He also has the Constitutional authority to line-item veto certain provisions within the bill.

There is a lot contained within the massive legislation that affects municipalities. In this bulletin, we've done our best to identify every part of the bill that will have an impact on our cities and villages.

To see the changes in the bill as it moved from the Governor, to the House and the Senate, all the way to Conference Committee, please reference this comparison document, found [HERE](#).

Here are the 6 main items OML focused on over the course of the budget process:

- The Tax Commissioner's administration of the municipal net profit business filings for businesses who "opt-in" to file through the Ohio Business Gateway (OBG) with a .5% administration fee charged to municipalities. This legislative proposal received almost no vetting in the Ohio Senate to explore intended and unintended consequences and will create two separate laws for the same class of taxpayer. The poorly-crafted language will further erode local control of municipal authorities by removing all auditing and enforcement capabilities of local tax administrators and does a disservice to all municipal taxpayers in Ohio by removing these crucial safeguards. Furthermore, the constitutionally-challenged proposal continues to interfere with the ability of municipalities to generate and manage revenues locally by creating cash flow disruptions, uncertainties and greater dependencies upon future state distributions of municipal revenues. The League supports the language crafted by the Ohio House of Representatives to address the challenges of roughly 13% of municipal business filers through the investment of a rebuilt OBG system that preserves local control and provides greater certainty in municipal revenue collections. **TAXCD38.- R.C 718.01, 113.061, 709.023, 715.691, 715.70, 715.71, 715.72, 718.02, 718.04, 718.05, 718.91, 718.27, 718.41, 5701.11,5703.052, 5703.053, 5703.19, 5703.21, 5703.50, 5703.57, 5703.70, 5703.90; Section 803.100, Repealed 718.06**
- The elimination of the municipal income tax "throwback" provision. The financial implications on municipal budgets with the elimination of this local revenue statewide will be significant, and in many instances, will further preclude the ability of cities and villages to invest in opportunities for greater job creation. There are no state revenues associated with the repeal of this municipal tax provision and we ask that the language be removed from Sub. HB49 and given an opportunity to be studied in future legislation. **(DESCRIPTION AND CODE SECTIONS ARE INCORPORATED INTO TAXCD38)**

- The preemption of local water ordinances that would prevent certain municipalities from charging what they deem an appropriate fee for water and wastewater services to surrounding communities by deeming them "predatory municipal annexations" and withholding 20% of their LGF revenues. We believe this provision significantly challenges the Home Rule authorities of the Ohio Constitution and should be removed from the budget. **EPACD28**.- R.C. 5747.504, 5747.51, 5747.53, SECTION 803.210
- The redirection of \$35 million from the Local Government Fund (LGF) to fund statewide opioid interdiction programs. This revenue would come directly from the municipal LGF distribution formula and would further interfere with the ability of our front-line responders to save lives in order to get those afflicted to treatment. We believe our local governments and municipal safety officers must be properly funded if our state stands a chance of winning this battle. The elimination of financial resources to our first responders is a misguided state policy that we ask be reconsidered. **RDFCD9**.- R.C.301.132, 5747.503, and Sections 291.20, 307.110,307.193,333.63, 337.220, 337.231, 383.10, and 757.20
- The redirection of \$24 million in municipal LGF dollars to all Ohio townships and very small villages. As cities and villages continue to struggle with local economic conditions, we recognize that there are very successful townships in our state that are not in need of municipal revenue to continue their financial solvency while cities and villages of every size and location continue to struggle. We ask that revenue dedicated to municipalities remain with municipalities. **RDFCD1**.- R.C. 131.44, 131.51, 5747.50, 5747.502, 5747.503, and Section 757.20
- The decrease of the threshold of petition signatures for village dissolutions from 40% to 30% of the local population. **LOCCD17**.- R.C. 703.20, 703.21

To view a breakdown of the changes to direct municipal LGF under current law for the remainder of 2017, please visit this link:

<http://www.tax.ohio.gov/Government/LocalGovernmentDistributionsLGF-PLF.aspx#3148156-forecasted-revenue>

Under HB 49, there will be a re-direct of \$12 million annually from the direct municipal LGF to the Small Villages and Township Fund. Additionally, it would re-direct remainder to the Targeting Addiction Assistance Fund and further breaks that down to several other funds to fight the opioid crises. Later this summer, a breakdown of the direct municipal LGF will be made available; however, unless one of the above-mentioned provisions is vetoed by the Governor, there will be no direct municipal LGF revenues at all.

Yesterday, OML sent a veto request letter to Governor Kasich, asking that he take into consideration the issues raised above and veto these provisions. You can view a copy of that veto request letter [HERE](#).

There are far more issues in the budget that will have an impact on municipalities. We've detailed them for you in a separate list, found [HERE](#).

One final list for you to reference can be found [HERE](#). These are items that OML and our members opposed over the course of the budget and were consequently removed by legislators before the final vote.

Finally, on a somewhat positive note, we would like to share with you an email we received on Wednesday from Sen. Dolan (R-Chagrin Falls), which you can read [HERE](#). Despite the treatment of municipalities in the budget, we have allies in the Statehouse who appreciate the contribution of our municipal leaders and who are listening to our concerns. Already, we are scheduling meetings with other legislators to continue the conversation on these topics. We are far from giving up, and we hope you take this letter as an encouragement to continue reaching out to members - they are listening, and we cannot back down.

The budget process will be officially over once Governor Kasich signs the bill into law; however, there is a possibility for the Legislature to reconvene one final time on July 6th for a veto override, where a 2/3rds majority vote can override a veto from the Executive branch. We have not heard any word on whether or not such a session will actually happen, but it remains a possibility. We will alert our members if a session on July 6th is scheduled to take place.

We want to thank our members for their hard work throughout the budget process on contacting their legislators and the office of the Governor not only to oppose anti-municipal proposals, but also to express their desire to stop the breakdown of trust between the state and its municipalities. Many of you scheduled meetings, analyzed proposed language and came to the Statehouse to offer testimony. We appreciate your voices and your expertise, and we encourage you to continue to forge relationships with your legislators as the year progresses. Those relationships are important, and it is imperative the General Assembly and the Administration continue to hear from you.

WORKER'S COMPENSATION BUDGET PASSES BOTH CHAMBERS

On Wednesday, legislative session saw the passage of HB 27, the Worker's Compensation Budget, from the both the House and the Senate. The House concurred on the Senate's changes to the bill, which included reducing the statute of repose for firefighter cancer presumption from 20 years to 15 years, and creating both a \$2.5 million statewide safety awareness educational campaign and a \$6 million health and wellness program. Senate-added provisions also will ensure injured workers eligible for Temporary Total Disability receive their compensation in a timely manner, while another was added to end the backlog of over 20,000 application for permanent partial disability.

Over the bill's lifetime, OML worked with several other interested parties on several crucial issues, and was able to come to agreements approved by both parties. We are grateful for their cooperation and look forward to a watching a fully-funded, empowered BWC better the lives of Ohio's citizens.

INTRODUCED BILLS OF MUNICIPAL INTEREST

HB 292 - STATE OF RESIDENCE TEST (Rep. Scherer) To modify the test for determining an individual's state of residence of income tax purposes.

HB 291 - EMPLOYEE DISHONESTY INSURANCE (Rep. Wiggam) To authorize counties, townships, and municipal corporations to purchase an employee dishonesty and faithful performance of duty insurance policy, instead of a bond, for protection from loss to the fraudulent or dishonest actions of, and the failure to perform a duty prescribed by law by, an officer, official, employee, or appointee for which a bond is required by law.

HB - LEAD SAFETY AND UNIFORMITY (Rep. Merrin) To enact the Lead Safety and Uniformity Act to provide that the state, acting through the Department of Healthy, has the sole and exclusive authority to compel, prohibit, license, or regulate lead abatement activities in Ohio.

HB 298 - PUBLIC EMPLOYEE SICK DAYS (Rep. Merrin) To make changes with respect to the number of sick days provided to public employees,

NO COMMITTEES HAVE BEEN SCHEDULED WITH BILLS OF MUNICIPAL INTEREST



Legislative Bulletin

SPECIAL BULLETIN

June 28, 2017

CONFERENCE COMMITTEE SENDS FINAL BUDGET REPORT TO HOUSE AND SENATE

Late last night, the Conference Committee voted out their report on the budget, Sub, HB 49, for a full vote before the Ohio Legislature. Once the Legislature favorably votes on the bill today, the full state operating budget will be sent to Gov. Kasich for his signature. The Governor has until Friday, June 30th at midnight to sign the bill. He also has the Constitutional authority to line-item veto certain provisions within the bill.

The following provisions are in the final version of the Legislature's budget:

- The Tax Commissioner will administer net profit business filings for businesses who opt in to file through the Ohio Business Gateway starting January 2018. The conference committee changed the administrative service fee from 1% to .5%.
- The “throwback” provision will be eliminated for municipalities with no nexus. The conference committee changed the effective date from 2019 to 2018.
- \$24 million over the biennium will be redirected from the LGF from municipalities towards townships and small villages. We maintain that there are many well-off townships that do not need the funds our small and midsized cities do as they fight local opioid addiction and rebuild their local economies.
- \$35 million over the biennium will be redirected from the Municipal Supplemental Distribution Fund towards combating the opioid epidemic. We believe our local governments and safety officers must be properly funded as they are on the front lines of the fight against opioid addiction throughout the state.
- Columbus will be preempted from providing from charging what they deem an appropriate fee for water and wastewater services to surrounding communities and will have 20% of their LGF distribution withheld unless it charges the same rates to all municipalities it supplies with water and sewer and requisite infrastructure.
- The Local Government Innovation Fund will be closed effective 2018, despite the fact those monies are crucial to capital improvements that rebuild local economies.

Because the Legislature's approval of many of these provisions is detrimental to municipalities, we are preparing sent a veto request letter to the Governor's office, respectfully asking he consider removing the provisions from the bill regarding the municipal income tax changes, the LGF redistribution, preempting municipal water and sewer rates, preempting local lead abatement ordinances.

There are a several provisions in the budget we support which include:

- The local lead preemption language has been removed the budget.
- The Governor's means-based LGF redistribution language has been kept out of the budget.
- The unitization of local mineral rights has been removed from the budget.

- Language mandating area wide waste management planning has been removed from the budget.

This is not an exhaustive list of all the issue in the budget that affect municipalities. We will provide a comprehensive overview of municipal issues in the budget by the end of the week.

We continue to encourage our members to contact the Governor's office and voice their concerns for provisions that remain detrimental to municipalities in the budget. These provisions undermine municipal authority and threaten many municipalities' financial stability. Please request that Governor Kasich continue to honor the historic partnership between the state of Ohio and its municipalities by removing these barriers and instead investing in our local communities and the businesses and residents they serve.



Legislative Bulletin

SPECIAL BULLETIN

June 27, 2017

BUDGET CONFERENCE COMMITTEE REPORT EXPECTED TODAY

After much hard work and many long hours, the members appointed to serve on the conference committee have constructed the final agreement of items to be included in the next two-year state operating budget. We anticipate the committee will present their work later today in a special committee hearing.

League staff will be going through the language today and tonight, once it becomes available, to determine what impacts will be felt by Ohio cities and villages. Once we are able to identify what the final changes are, we will send a special bulletin to our members alerting them of what changes and new policies to expect.

We want to thank all of our municipal officials who have spent time and energy to educate legislators on consequences to changes being proposed and for the efforts to correct misguided information that may influence state leader's decisions. The activation of our cities and villages has been remarkable in the budget process and your efforts have not gone unnoticed at the Ohio Statehouse.

Please look for communication from the League tomorrow with more budget information.



Legislative Bulletin

June 23, 2017

It has been a whirlwind week as Sub. HB 49 makes the last leg of its journey through the legislature. On Tuesday, the Senate unveiled its omnibus amendment to the budget, which we outlined in our special bulletin, found [HERE](#). After the Senate adopted the omnibus, the bill was sent to the Senate floor on Wednesday where it was passed, sent to the House where it was rejected and then assigned to a conference committee. The conference committee met Thursday to receive update budget revenue numbers and will now hunker down this weekend to hammer out what stays and what goes. We expect a report to be produced by the committee that will include the new changes agreed upon, where on that same day, both the House and Senate will accept the compromise language. The final action will be the Governor's signature on the 30th and then the bill becomes law.

All members still must vote on the final product so we urge our members to continue to contact legislators and the Governor to express your concerns about the budget that may have a negative impact on your community.

BUDGET CONFERENCE COMMITTEE HOLDS FIRST MEETING

Before the Conference Committee held its first meeting on Thursday, the Ohio Municipal League sent a letter to the members of the Conference Committee: Reps. (House Finance Chair) Ryan Smith (R-Gallipolis), Reps. Scott Ryan (R-Newark) and Jack Cera (D-Bellaire) and Sens. (Sen. Finance Chair) Scott Oelslager (R-North Canton), Gayle Manning (R-North Ridgeville) and Mike Skindell (D-Lakewood). In the letter, which you can read [HERE](#) and which was also sent to the rest of the General Assembly, we outlined the issues going into conference committee that will impact municipalities.

Here are the issues in summary:

- The removal of the OBG "opt-in" language of municipal net profit business filings for businesses filing through the Ohio Business Gateway with a 1% administration fee charged to municipalities. This language is unconstitutional, will create two different sets of laws for the same class of taxpayer and will be a further erosion of local control and access to revenues. We ask that the House-passed language be restored.
- The removal of the elimination of the "throwback" rule for municipalities which creates a "nexus to nowhere" treatment barring the application of this local tax. This language will significantly challenge municipal budgets across the state and will further restrict investments in infrastructure and capital improvements businesses depend upon. In the event of the "throwback" provision's elimination, we ask for a 5-year sunset to be included, allowing municipalities to prepare for the coming budget holes accordingly.
- The removal of a redirection of \$35 million from Municipal Supplemental Distribution Fund. State revenue sharing agreements with their municipal partners must be continued and dollars meant for Ohio cities and villages must remain with those entities and not to more state programs. Now more than ever, local governments and safety officers must be properly funded as they are on the front lines of the fight against opioid addiction throughout the state.
- The removal of a redirection of \$24 million in LGF dollars from municipalities to townships and small villages. We maintain that there are many well-off townships that do not need the funds our small and mid-sized cities do as they fight local opioid addiction and rebuild their local economies.

- The removal of language preempting of local water ordinances that would prevent certain municipalities from charging what they deem an appropriate fee for water and wastewater services to surrounding communities.
- The reinstatement of the Local Government Innovation Fund, as those monies are crucial to capital improvements that rebuild local economies.
- Increasing the threshold of petition signatures for village dissolutions from 30% to 35% of the local population.
- Creating civil liability for business entities, property owners, or employers who adopt or enforce a policy prohibiting concealed carry licensees from transporting or storing a firearm or ammunition in that person's privately-owned motor vehicle.
- New language: We have asked that the members of conference committee adopt language to require the EPA to develop and establish a total maximum daily load (TMDL) for state water as required under the Federal Pollution Control Act.

If you would like to read through the full comparison document of the changes made in both the House and the Senate, you can find that document [HERE](#).

It is imperative you contact not only the members of the legislature serving on the conference committee, but to contact your own legislators as well. After the conference committee issues their report on the budget, the full General Assembly will have to vote to pass it. Your Representatives and Senators must be educated on these issues and their importance, and they must be made to see this budget as opportunity for the state to forge a stronger partnership with its cities and villages, and be encouraged to have the foresight to provide greater support and resources to Ohio's municipalities as the economic engines.

We also want to highlight that we are grateful for the measures the General Assembly has made thus far in municipalities' best interest. We appreciate the House's removal of the capacity-based LGF distribution formula, as well as their removal of the Governor's proposed centralized collection of municipal net profit business filings from the bill. We appreciate the Senate's removal of the preemption of local lead laws, the unitization of municipal corporations with oil and gas reserves and the area waste treatment management planning language.

Conference Committee is expected to pass their report on to the General Assembly for a full vote on the budget either Tuesday or Wednesday of next week. Gov. Kasich will have until Friday, June 30th to sign the bill into law.

HOUSE PASSED BILLS OF MUNICIPAL INTEREST

The Ohio House passed four bills of note to municipalities this week, while the Senate was working on the budget. First, is House Bill 69, introduced by Representative Bob Cupp (R-Lima). The bill 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. The bill passed unanimously. The League had expressed some concern over the bill, particularly with regards to its effects on TIFFs. The bill passed 86-0 and will now moves to the Senate for consideration.

Next, is House Bill 95, introduced by Representatives Jim Hughes (R-Columbus) and Bill Seitz (R-Cincinnati). The bill would establish an enhanced penalty for committing a moving violation while distracted if the distraction is the apparent cause of the violation and to reenact provisions of law that specified that certain electronic wireless communications device violations were allied offenses of similar import. The League did not take a position on this bill, but views it generally as a good move for law enforcement and traffic safety. The final vote was 71-10 on the floor. The bill now moves to the Senate for consideration.

Next is House Bill 125, introduced by Representatives Hearcel Craig (R-Columbus) and Bill Seitz (R-Cincinnati). The bill would specify the jurisdiction of municipal and county courts over municipal traffic ordinances and establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a

municipal corporation that does not have the authority to establish a mayor's court. The vote on the bill was 89-0. The bill now moves to the Senate for consideration.

Lastly, is a bill that may be of interest to our law enforcement personnel and municipal prosecutors. Senate Bill 7, introduced by Senators Kevin Bacon (R-Columbus) and Gayle Manning (R-North Ridgeville). The bill 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 League did not take a position on this bill. The House passed the bill 86-2. The Senate later concurred unanimously to the House's changes. The bill now goes to the Governor for his consideration.

MUNICIPAL BILLS RECEIVING HEARINGS THIS WEEK

The Ohio House Government Accountability and Oversight Committee heard sponsor testimony on House Bill 237, which was introduced by Representative Dorothy Pelanda (R-Marysville), which would require a political subdivision with territory in more than one county that places an issue on the ballot to notify the board of elections of every county in which the political subdivision has territory, would require the Secretary of State to establish a database to facilitate communication between the boards of elections and the Secretary concerning local elections, and make an appropriation of about \$300,000 to pay for the requirements.

Next, the Committee heard testimony on HB 226, introduced by Reps. Seitz (R-Cincinnati) and Sweeney (R-Cleveland). The bill would establish a fireworks study group to review and make recommendations regarding the Fireworks Law; would extend to July 1, 2020, the moratorium on issuing fireworks manufacturer and wholesaler licenses; would eliminate, beginning January 1, 2021, the moratorium on geographic transfer of fireworks manufacturer and wholesaler licenses; and, beginning July 1, 2020, would impose a fee on the retail sale of consumer grade fireworks in this state and to expand the ability of individuals to obtain 1.3G display fireworks and obtain and use 1.4G consumer fireworks. No testimony was offered on the bill.

The Senate Government Oversight and Reform Committee heard testimony on HB 103, introduced by Rep. Reineke (R-Tiffin), which 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.

Rep. Reineke testified that the bill addresses fiscal emergency situations. It reduces the number of local government appointees to the Financial Planning and Supervision Commission from five to three. The bill also: 1) makes permanent (rather than sunset) the provision to escalate a local government from Fiscal Watch to Fiscal Emergency, when they fail to implement their submitted financial recovery plan, 2) expands what can be included in the content of a financial recovery plan through the use of funds with self-imposed restrictions with failure to do so resulting in enforcement of the 85% expenditures rule, and 3) proposes to grant additional power to the Financial Planning and Supervision Commission. They will be able to approve or reject financial information submitted by the local government, and they will be able to compel the production of timely, accurate financial data to the Financial Supervisor. Failure to do so would result in enforcement of the 85% expenditures rule.

The House Finance Committee heard sponsor testimony on HB 168, introduced by Rep. Stein (R-Norwalk), which would modify the duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, specify cemetery owners must reasonably maintain cemeteries, and make an appropriation. Rep. Stein testified that the bill creates a cemetery grant program and codifies recommendations of the 2014 Ohio Cemetery Law Task Force. It also changes cemetery registration language to reflect current practices, allows cemetery trust funds to issue bonds and insurance, and allows the trusts to invest consistent with the Ohio Prudent Investor Act.

The House Financial Institutions, Housing and Urban Development Committee opened the floor for testimony on HB 251, introduced by Rep. Greenspan, which would increase from five to ten years the maturity period of other political subdivision's bonds and obligations eligible for investment of a subdivision's interim moneys. No testimony was offered.

The House State and Local Government Committee heard testimony, amended, and voted out SB37, which was introduced by Sen. Hite (R-Findlay) and 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 amendment was offered by Rep. Hambley (R-Brunswick) and would expand the bill's requirements to most law enforcement agencies, including university police departments, but not to county sheriff's offices, the Ohio State Highway Patrol (OSHP) or the Bureau of Criminal Identification and Investigation (BCI). No testimony was offered. The bill was voted out unanimously.

WORKERS COMPENSATION BUDGET PASSES SENATE

This week, both the Senate Insurance and Financial Institutions Committee and the Ohio Senate passed the latest version of the workers' compensation budget, HB 27, introduced by Rep. Brinkman (R-Mt. Lookout). For the most part, the Senate kept the House version intact.

One hotly-contended issue was a provision from the House that would forbid illegal aliens from receiving workers' compensation benefits. Rep. Seitz (R-Cincinnati) argued on the House floor that the provision merely puts Ohio law in conformity with federal law. Committee Chairman Sen. Hottinger (R-Newark) said the provision needed more vetting and recommended that it be handled as a bill. He expressed concern about unintended consequences of employers hiring undocumented aliens to avoid workers' compensation premiums and enforcement issues.

The Senate stripped out controversial language prohibiting state agencies from taking "quasi-legislative or quasi-judicial" actions with a retrospective impact. They also did not include a provision that shortens the statute of limitations for claims from two years to one. Other changes include: allowing funding authority for the bureau's newly announced health and wellness programs, removing the current statutory requirement for professional employer organizations (PEO) to include "supplemental combining schedules" in their financial statements, and one technical amendment.

We anticipate a final vote on this bill by the end of the month. The League is a supporter of the bill in its current form. We would like to thank members who helped us with multiple provisions in this budget.

MUNICIPAL BILLS INTRODUCED THIS WEEK

HB278 LAW ENFORCEMENT VEHICULAR ASSAULT - To include negligently causing serious physical harm to a law enforcement officer while operating a motor vehicle or other specified mode of transportation as a violation of the offense of vehicular assault.

Introduced by Reps. Patton, Kelly

HB281 BROADBAND EXPANSION PROGRAM - To establish the residential broadband expansion program within the Development Services Agency to award matching grants for last mile broadband expansion in municipal corporations and townships and to make an appropriation.

Introduced by Rep. Carfagna

COMMITTEE SCHEDULE FOR THE WEEK OF JUNE 25, 2017

Wednesday, June 28, 2017

SENATE GOVERNMENT OVERSIGHT AND REFORM

Wed., Jun. 28, 2017, 9:45 AM, Senate Finance Hearing Room

Sen. Coley: 614-466-8072

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.

Second Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

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

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE COMMITTEE
SCHEDULE**



Legislative Bulletin

SPECIAL BULLETIN

June 22, 2017

SENATE PASSES AND HOUSE REJECTS STATE BUDGET PLAN SETTING STAGE FOR CONFERENCE COMMITTEE

As expected, yesterday the Ohio Senate convened to accept the final revisions to the Senate's version of the state operating budget bill, Sub. HB 49. After a nearly party-line vote, the Senate sent their proposal to the Ohio House, where it was rejected by House members. Just as in all previous budgets, the bill was assigned to a conference committee to hammer out the final language that will be sent to Governor Kasich next week for his signature.

Members of the conference committee include: Reps. (House Finance Chair) Ryan Smith (R-Gallipolis), Reps. Scott Ryan (R-Newark) and Jack Cera (D-Bellaire) and Sens. (Sen. Finance Chair) Scott Oelslager (R-North Canton), Gayle Manning (R-North Ridgeville) and Mike Skindell (D-Lakewood). Contact information for these legislators is available on our website [HERE](#)

The members serving on the conference committee will be making the final decisions and providing the necessary votes to approve the state budget, and will therefore determine how the issues municipalities care about will be handled. These members will determine if more state interference in municipal revenues and local control is allowed to persist, and will have the influence to repair the fractured relationship between the state and its municipal partners.

Specifically, the legislature must be reminded until the end that the LGF is meant for our communities and should not be diverted to state programs and that municipal revenues must remain in the control of municipalities and not be subject to more state distribution and interference.

We urge our members to continue to impress upon their state Representatives and Senators the urgency for their assistance in defending the cities and villages they represent against more state raids on local treasuries and against the erosion of local control. We also recommend that municipal leaders share their concerns with the members of the conference committee who will be the final body to complete the two-year spending and policy plan.



June 20, 2017

OHIO SENATE REVEALS FINAL SENATE PACKAGE FOR BUDGET BILL

The Senate has unveiled its omnibus amendment to the state operating budget bill this afternoon. This is the final round of changes the Senate will make to the bill, save for any floor amendments the Senate may accept, before sending Sub. HB 49 to the House for consideration. It is expected that the House will not accept the bill and will convene in a conference committee, where the final touches will be made to the bill before it is sent to Gov. Kasich.

The central municipal income tax issues adopted by the Senate last week remain in the budget. To recap:

Alternative language now in the budget would allow the Ohio Department of Taxation to, among other things, charge municipalities a 1% service fee for future filings of municipal net profit tax made through the state central collection portal, the Ohio Business Gateway (OBG), beginning January 1, 2018. This language preserves all the challenges we've covered in previous explanations on why this is harmful for municipalities.

Language added in the omnibus amendment is merely clarifying language and will do the following:

- Require the Tax Commissioner to provide municipalities with certain information about taxpayers filing returns with the Tax Commissioner in May and November of each year, not March.
- Require the Tax Commissioner to provide municipalities with Federal tax identification number in addition to the name of each taxpayer that makes estimated tax payments with the Commissioner.
- Clarify that the Commissioner may not provide taxpayer information to any municipal employee other than employees designated to receive such information by the municipality.
- Add language stating that nothing in the Municipal Income Tax Law prohibits a municipality from filing a writ of mandamus if the municipality believes the Commissioner has "violated the Commissioner's fiduciary duty" in administering the municipality's tax.
- Make changes to the documentation requirements for taxpayers that claim a job creation or job retention credit against their municipal income tax liability.

Additional amendments clarify a provision that requires the Commissioner issue a refund only if the amount overpaid is more than \$10 by specifying that the limit applies to the amount overpaid with each return or assessment, and the other makes a technical change to a provision that allows municipalities to provide job creation and retention tax credits to businesses that file through the Tax Commissioner.

The elimination of the "throwback" provision also remains, which essentially eliminates the municipal "throwback" provision from being applied, depriving cities and villages across the state of more tax revenue, and continuing the financial instability upon Ohio's hometowns and economic engines.

There are three other issues in the budget that affect municipal revenues across the state:

- The closure of the Local Government Innovation Fund program and the transfer of any unencumbered monies from that program to the GRF.

- The projected reduction in the LFG of \$90 million dollars due to the revenue shortfalls the state has experienced. Those cuts to the GRF translate into cuts in the LGF.
- The redirection of \$35 million from Municipal Supplemental Distribution Fund, which is allocated to those municipalities that levy an income tax, towards efforts that combat opioid addiction throughout the state.

Here is a list of the rest of the amendments in the omnibus that affect municipalities:

- Removes option to appeal decision of Board of Tax Appeals directly to the Ohio Supreme Court, limiting those appeals to the court of appeals.
- Creates civil liability for employers who adopt or enforce a police prohibiting concealed carry licensees from transporting or storing a firearm or ammunition in the person's privately-owned motor vehicle.
- Removes Senate-added provision requiring Ohio Peace Officer Training Commission to reimburse for continuing professional training programs.
- Authorizes use of an electronically powered personal delivery device on sidewalks and crosswalks.
- Removes portions of language related to areawide waste treatment management planning.

Finally, while OML is grateful the Senate's sub bill removed the preemption of local lead laws, the unitization of municipal corporations with oil and gas reserves and the area waste treatment management planning language, we continue to ask that the provisions that would redirect \$24 million in LGF dollars from municipalities to townships and small villages be removed, as well as the preemption of local water ordinances that would prevent certain municipalities from charging what they deem an appropriate fee for water and wastewater services to surrounding communities.



Legislative Bulletin

June 16, 2017

As the Senate gets closer to finalizing their list of budget priorities for the next two year state operating budget, the League continues to meet with legislators about concerns and alternative language to relieve Ohio's cities and villages on the challenges that remain present in the Senate's substitute plan. Most of the legislative activity at the Statehouse this week focused on budget issues.

LEAGUE TESTIFIES BEFORE SENATE FINANCE COMMITTEE ON BUDGET ISSUES

This week, the Senate Finance Committee continued to unpack the Senate substitute version of HB49 unveiled Monday with hearings and testimony throughout the week from interested parties.

On Wednesday, OML Executive Director Kent Scarrett testified before the Senate Finance Committee on the amendments impacting municipalities that the Senate has adopted and other changes included in the most recent draft of the budget proposal. You can view the recorded testimony <http://ohiochannel.org/video/ohio-senate-finance-committee-6-14-2017-part-2> via the link provided. The League's testimony begins at 8:08 in the recording and concludes at 26:03. The nearly 20 minutes of testimony includes questions from members of the Committee about issues addressed in the presentation and other matters related to state government and Ohio's municipalities. Following Scarrett's testimony, Chris Ferruso, Director of Legislative Affairs for the National Federation of Independent Businesses-Ohio (NFIB) presented his testimony and shared his members concerns related to the municipal income tax and the organization's support for the Senate language.

Scarrett outlined for the committee the detrimental consequences of the Ohio Department of Taxation's alternative proposal to administer net profit business filings for businesses who opt-in to file through the Ohio Business Gateway. In addition to the increased administrative and financial burden that municipalities would have to shoulder should this proposal become law, Scarrett explained that the Tax Commissioner administering any part of the municipal income tax would be a violation of Ohio's Constitution, per the ruling in *Gesler v. Worthington Income Tax Bd. Of Appeals* (available [HERE](#)). In regards to the elimination of the "throwback" provision, Scarrett listed the impact numbers for multiple municipalities for loss of revenue - some of which total in the millions of dollars.

While he thanked the committee for amendments that removed the preemption of local lead laws and the unitization of municipal corporations with oil and gas reserves, Scarrett asked that the committee remove provisions that would redirect \$24 million in LGF dollars from municipalities to townships and small villages, and over \$35 million to statewide opioid intervention programs.

Sen. Coley (R-Liberty Township) asked why, if the option to file through the OBG was discretionary for businesses, municipalities were concerned about a loss of revenue. Scarrett explained that for the majority of self-collection municipalities, the total cost of revenues for collection net profit business filings totaled around .02%. ODT's 1% administration fee means a substantial increased cost - without relieving municipalities of any administrative burden or cost. "We don't understand why ODT is needed to collect and then redistribute own revenues back to us," he said while explaining that currently, OBG is a portal where revenues are sent directly to the collecting municipality.

Sen. Lehner (R-Kettering) asked for clarification regarding which parts of the Local Government Fund (LGF) this budget is diverting to efforts fighting the opioid epidemic, asking if it was an "antiquated fund." Scarrett explained that the nearly \$60 million in revenues, called the Municipal Supplemental Distribution Fund, was created in the 70s as a means to counterbalance any revenue loss the 600-odd municipalities leveraging an income tax would experience once the State created their own income tax. However, he explained that those revenues are a part of the annual LFG distribution and are not being "cobwebbed."

Finally, Sen. Tavares (D-Columbus) asked if there were ways apart from revenue that State could be a better partner to municipalities. Scarrett explained that one of the "most infuriating" problems municipalities face is preemptions from the State. "It's an extreme challenge to the Constitution and a challenge to the partnership municipalities have with the state," he said, saying increased preemptions in recent years have continued to erode the trust municipalities have with the State.

On Thursday, Keary McCarthy from the Ohio Mayors Alliance provided testimony that can be found [HERE](#) and the City of Cincinnati's Marilyn Crumpton also shared concerns with Committee members. Her testimony can be found [HERE](#) The League thanks all of our members who have contacted their state delegation to impress upon them the fixes that need to be made in the budget to protect our communities.

The Senate Finance Committee will reveal an omnibus amendment to Sub. HB 49 next week before passing the bill out of both the committee and the full chamber. We are asking our members to call their legislators immediately to express their opposition to any state takeover of municipal revenues and the continued erosion of local control. OML continues to meet with legislators before conference committee convenes to educate legislators on what's best for Ohio's municipalities.

WORKERS COMPENSATION BUDGET RECEIVES HEARING

On Tuesday the Ohio Senate Insurance and Financial Institutions Committee heard testimony on the workers compensation budget, HB 27, which was introduced by Rep. Brinkman (R-Mt. Lookout). The Committee heard testimony on a specific provision that would forbid illegal aliens from receiving workers compensation coverage and on another provision that would decrease the statute of limitations on claims from two years to one year.

Opponents to the one-year statute of limitations argued that many workers try to "soldier through" injuries and therefore need more than a year to make their claim. Additionally, some employers encourage workers not to make their claims by making false promises to them. Proponents argued that over 98% of claims are made in the first year and this is an indication that two years is not necessary.

Committee Chairman Jay Hottinger (R-Newark) announced that amendments would be due Friday with a sub bill ready next week. We will keep our members aware of future action of this bill.

INTERIM MONEYS BILL RECEIVES HEARING

HB 251, introduced by Rep. Greenspan (R-Westlake), would increase from the maturity period of other political subdivision's bonds and obligations eligible for investment of a subdivision's interim moneys from five to ten years.

Greenspan, in his sponsor testimony, said, "Under this proposal, a political subdivision may purchase the debt of another subdivision for a longer period of time, which presents two distinct advantages for both the purchaser and seller. Those political subdivisions purchasing the debt may have an opportunity to earn more investment income than on their traditional or current investments. The political subdivisions selling their debt may pay less interest

expense, resulting in savings to taxpayers. As previously indicated, both the seller and purchaser under the proposed extended investment protocol, stand to mutually benefit if they so choose."

As HB 251 progresses, we will be sure to report on future activity.

OHIO AG AND CITIES FILE SUIT AGAINST PHARMA COMPANIES

Last week, the Ohio Attorney General filed a lawsuit against multiple pharmaceutical companies, alleging that they are liable for violating RICO statutes and nuisance statutes in the State of Ohio, among other accusations.

Ohio cities, including Dayton and Lorain, have filed similar suits. The suits allege that these companies have been misleading doctors into overprescribing opioids by downplaying the dangers of the drugs. Ohio is unfortunately leading the nation in opiate deaths, and the upcoming budget has earmarked millions of dollars towards fighting this epidemic.

As updates become available, we will be sure to alert our members.

MAYORS CONFERENCE SUCCESS

This week, the Mayor's Association of Ohio held their annual conference at the Embassy Suites in Dublin. Attendees had the opportunity to hear from featured speaker Ohio Chief Justice Maureen O'Connor, visit the exhibition hall and collaborate with mayors from municipalities of all sizes from around the state. Sessions covered topics like Ohio's updated rules on medical marijuana, open meetings and public records, and ordinance drafting after AT&T's preemption in last General Assembly's SB 331.

OML Executive Director Kent Scarrett gave a legislative update on budget proceedings, JobsOhio gave a presentation covering Ohio Economic Development Strategy, and Greater Ohio Policy Center's Dr. Alison Goebel spoke on the revitalization of Ohio's small and medium-sized legacy cities. Mayors also participated in two separate roundtable discussions for cities and villages to discuss current issues like panhandling, prayers during meetings, and fireworks.

OML wants to thank all who took the time to attend the conference this week and to our wonderful presenters who helped educate Ohio's municipal leaders on issues impactful to their communities.

We appreciate the participation of all of our mayors and municipal officials from across the state, not only during sessions and discussions, but also in your willingness to call your Legislators regarding legislation that impacts your cities and villages. As Dir. Scarrett said during his presentation, OML's largest and most effective lobbying effort is spread all across Ohio in local offices.

Thank you for a great conference, and we hope to see you next year!

BILLS INTRODUCED OF MUNICIPAL CONCERN

SB162 WITHHOLDING FUNDS-SANCTUARY CITIES - To withhold local government fund payments to municipal corporations that have enacted an ordinance, policy, directive, rule, or resolution that hinders or prevents municipal employees from cooperating with state or federal immigration services or from complying with executive orders pertaining to immigration.

Introduced Jordan, K

HB267 LOCAL LIABILITY-VEHICLE NEGLIGENCE - To eliminate certain defenses to political subdivision liability for an employee's negligent operation of a motor vehicle and to reduce damages recoverable against a political subdivision in such actions by the contributory fault of the plaintiff or other parties.

Introduced Ingram, C

HB268 WORKERS COMPENSATION-SELF-INSURERS - To make changes to the Workers' Compensation Law with respect to self-insuring employers.

Introduced Henne, M

HB269 WORKERS COMPENSATION OVERHAUL - To rename the entities who carry out workers' compensation functions in this state, to require the Administrator of Worker Safety and Rehabilitation to develop incentives for employers to participate in safety consultations and loss prevention programs, to require an employee who is receiving temporary total disability compensation to comply with a return to work plan, and to make changes with respect to compensation for permanent total disability and death benefits.

Introduced Henne, M

COMMITTEE SCHEDULE FOR THE WEEK OF JUNE 18, 2017

Tuesday, June 20, 2017

HOUSE FINANCE

Tue., Jun. 20, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

HB168** CEMETERY MAINTENANCE AND REGISTRATION (STEIN D) To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

First Hearing, Sponsor Testimony

SENATE INSURANCE AND FINANCIAL INSTITUTIONS

Tue., Jun. 20, 2017, 9:30 AM, Senate Finance Hearing Room

Sen. Hottinger: 614-466-5838

HB27** WORKERS' COMPENSATION BUDGET (BRINKMAN T) 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.

Third Hearing, Interested Party, AMENDMENTS/POSSIBLE VOTE

HOUSE CRIMINAL JUSTICE

Tue., Jun. 20, 2017, 1:30 PM, Hearing Room 114

Rep. Manning: 614-644-5076

HB48** WAR RELIC PROTECTION (SCHAFFER T) To prohibit a war relic that is located on public property or on the property of a cemetery association from being sold or otherwise disposed of, or destroyed, relocated, removed, altered, or otherwise disturbed, except under certain circumstances.

First Hearing, Sponsor Testimony, AMENDMENTS

HB125** TRAFFIC ORDINANCE JURISDICTIONS (CRAIG H, SEITZ B) To specify the jurisdiction of municipal and county courts over municipal traffic ordinances and to establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court.

Fourth Hearing, All Testimony, POSSIBLE VOTE

HOUSE PUBLIC UTILITIES

Tue., Jun. 20, 2017, 3:00 PM, Hearing Room 116

Rep. Seitz: 614-466-8258

HB133** DISASTER RELIEF ACT (RYAN S) To create the Disaster Relief Act to exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster.

Third Hearing, No Testimony, AMENDMENTS/SUBSTITUTE BILL/POSSIBLE VOTE

Thursday, June 22, 2017

SENATE PUBLIC UTILITIES

Thu., Jun. 22, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. Beagle: 614-466-6247

SB157** PUBLIC UTILITY RESELLING REGULATION (BACON K) To regulate the reselling of public utility service.

Second Hearing, Proponent/Interested Party Testimony

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE
COMMITTEE SCHEDULE**



Legislative Bulletin

June 14, 2017

CALL TO ACTION: MUNICIPAL OFFICIALS ENCOURAGED TO CONTACT MEMBERS OF OHIO SENATE

As we have been reporting through recent legislative bulletins, the Ohio Senate continues their work this week on changes to the House version of the state operating budget bill, Sub. HB 49. Monday, the Senate Finance Committee unveiled the first version of changes they propose through a substitute bill that included items the League supported and policies that will continue to challenge municipal revenues and local control. The Senate Finance Committee will hold hearings this week to receive testimony from interested parties who want to react to the Senate substitute language. Next Monday, the Senate will release a final omnibus amendment to complete the amendment process and present the newly-constructed plan for a full vote on the 21st.

Today, OML Executive Director Kent Scarrett will provide testimony on the substitute budget language to the members of the Senate Finance Committee. A copy of his testimony can be found [HERE](#). We anticipate municipal officials will also present testimony, expressing concerns that will affect their communities' financial stability and management authorities. Particularly, the current version of the Senate plan will negatively impact Ohio cities and villages by:

*Changes to the Municipal Income Tax (MIT)

-Create a "nexus to nowhere" treatment of the current "throwback" provision in municipal tax ordinances, essentially preventing the tax provision from being enforced for the sales of tangible personal property from warehouse and distribution centers originating in municipalities. This revenue loss will impact municipalities statewide and in some cases can reach into the millions of dollars in losses to local budgets.

-The Senate's rejection of the House changes to the Governor's centralized collection proposal, which would have preserved local control and revenues related to the collection of municipal net profit filings via the Ohio Business Gateway (OBG). The Senate instead adopted of the Ohio Department of Taxation's alternative business "opt-In" language allowing the state Tax Commissioner to collect and redistribute municipal revenue that accompanies net profit filings processed through the OBG with an application of a 1% service fee for municipalities to receive their revenues. The plan would make municipalities dependent upon the state redistribution efforts, procedures and timelines, with no way for municipalities to verify that the revenues received reflect the revenues due. The plan would create a second, state-run municipal income tax procedure, sharply limiting the ability of municipalities to perform routine audits to ensure compliance and other enforcement capabilities. The language goes against the tenants of uniformity - the very the goal of previous legislative efforts to "fix" the municipal income tax.

* Changes to the Local Government Fund (LGF)

- \$35.3 million redirected from the Municipal LGF Supplement Distribution Fund to support statewide programs to address the opioid crisis, further limiting municipal resources to treat the epidemic on the front lines.

- \$24 million redirected from the Municipal LGF Supplement Distribution Fund to support all 1,300+ Ohio townships and very small villages with a population below 1,000. The legislature recognizes that there are very financially successful townships in Ohio, but still revenues intended to support cities and villages will subsidize Ohio's unincorporated areas.

- With the reduction in overall state revenues and a smaller total state General Revenue Fund, analysts are forecasting that LGF distribution levels will decrease by almost \$90 million dollars over the biennium. The consequence of depressed revenues from state tax collection efforts will not only create over a \$1 billion dollar state budget hole but the pain will also be felt by Ohio local governments as revenue sharing levels decline.

League staff have been meeting with members of the Ohio Senate continually to ask that these proposals negatively impacting municipal revenues be removed from the budget and language added that would instead provide greater financial support for our member's efforts to address mounting infrastructure demands, providing greater economic development opportunities for the state.

Attached [HERE](#) is the hearing schedule for the Senate Finance Committee. If unable to provide testimony, we strongly encourage our members to contact their individual Senators and impress upon them the need for the Senate to remove these misguided policies from the state operating budget and replace them with proposals that will provide greater support for Ohio's economic engines.



Legislative Bulletin

Special Bulletin: OML Reacts to Senate Budget Proposal

June 12, 2017

OHIO MUNICIPAL LEAGUE REACTS TO SENATE REWRITE OF PROPOSAL TO COLLECT AND DISTRIBUTE MUNICIPAL NET PROFIT TAX

This afternoon, the Ohio Senate unveiled their substitute proposal for HB 49, the state operating budget bill. Attached is a list of changes made by the Senate. We will go into greater detail in Friday's regular Bulletin.

There are numerous issues impactful to Ohio cities and villages included in the legislation presented today, the Ohio Municipal League is particularly concerned with alternative language now in the budget that would allow the Ohio Department of Taxation to, among other things, charge municipalities a 1% service fee for future filings of municipal net profit tax made through the state central collection portal, the Ohio Business Gateway (OBG), beginning January 1, 2018.

The amendment will:

- Create greater non-uniformity in the administration of the municipal income tax by creating two separate set of rules and procedures for municipal business filers.
- Allow business to choose to either file through the OBG, which would be administrated by ODT or through their local municipality. Businesses that elect to file through the yet-to-be-redeveloped portal would have to stay in the system for five years or appeal to the commissioner to be allowed to file with a municipality.
- Instead of the current next-day receipt of revenue that goes through OBG, the proposal says revenue will be redistributed by the state monthly, via the Ohio Department of Taxation.
- Current and future Tax Commissioners will have the authority to propose rules, grant or deny refund requests, handle appeals, prescribe forms, make assessments, audit and other administrative functions.
- Municipalities can request that the Tax Commissioner conduct an audit, but that request is subject to the commissioner's approval.

"The challenge to our members and Ohio's municipalities that this is more state interference in our cities and villages lifeblood; revenue from the municipal income tax," said OML Executive Director Kent Scarrett. "There is significant potential for more lost revenue to municipalities, meaning less support for police and fire services due to the state's interference. Our ability to manage our tax dollars and to ensure compliance in business filings is paramount for the protection of all taxpayers."

The League supported the changes made by the House that preserved full auditing and enforcement authorities with the municipalities where the filings are to be made, as well as supported a proposed 1% service fee applied the business filings to support the upgrade in tax service by the state. That language did not lock businesses who choose to file through the state portal into a five-year obligation to file through the OBG.

"This is a major policy change being thrown into the state budget that has not been properly vetted to determine what the effects will be on municipal budgets or businesses who use the OBG, which is currently being rebuilt,"

Scarrett continued. "Bad tax policy is good for no one and this proposal is not vetted and needs to come out of the budget bill."

The Senate plan does not touch the language by the Ohio House, which essentially eliminates the municipal "throwback" provision from being applied, depriving cities and villages across the state of more tax revenue, and continuing the financial instability upon Ohio's hometowns and economic engines.

The Ohio Municipal League is a non-profit, non-partisan association that represents the collective interest of over 730 Ohio cities and villages before the Ohio General Assembly, state elected and administrative offices.

For more details, contact OML Executive Director Kent Scarrett at (614)221-4349 or kscarrett@omlohio.org.



Legislative Bulletin

June 9, 2017

Next week is a significant week in the state budget process as the Senate leadership has announced the unveiling of the changes the Senate will include in their substitute version of sub. HB49, the two-year state operating budget bill. State tax revenue collections continue to under perform leaving the task of presenting a constitutionally-required balanced budget to the Governor by June 30th, that much more challenging. Statehouse "conventional wisdom" has it that the final budget hole at the end of the fiscal year, June 30th, will exceed \$1 billion dollars while Medicaid costs continue to climb. The legislature has real issues to address in charting the course for Ohio's future.

The legislative schedule was slightly lighter on municipal issues than in previous weeks but there was a high concentration of municipal activity on the Senate side of the Statehouse as the Senate Finance Committee heard testimony Tuesday on municipal issues included in the proposed budget bill and testimony by League staff on the BWC budget bill. Those two issues are addressed in greater detail to follow. We greatly appreciate the municipal officials from around the state who took time out of their busy schedules to provide testimony to the Senate Finance Committee and specifically addressing the municipal tax issues being considered that would impact municipal revenues and the ability to continue to exercise local control. Your testimony was impactful and greatly appreciated!

As a review, the Senate is expected to release their substitute version of the budget bill Monday. We have yet to receive a hearing schedule for Senate Finance next week. We will have an updated committee schedule posted to our website Monday but we do anticipate hearings will be held to present the new Senate language. After the substitute language is released, there will be an omnibus amendment offered possibly at the end of next week to complete the budget package supported by the leadership of the Ohio Senate before the final Senate plan is presented to the full Senate membership on the floor June 21st. It will be then sent to the House, where they will more than likely not concur on the changes made to the bill. A conference committee will convene to identify and resolve the differences in the three plans; the budget requests of the Administration, House and Senate. This part of the budget process lends itself the least to transparency on how issues and decisions are being reached related to the two-year spending plan and is the most challenging for legislative advocates.

SENATE FINANCE COMMITTEE RECEIVES TESTIMONY FROM MUNICIPAL OFFICIALS

On Tuesday, the Senate Finance Committee held a fifth public hearing on Sub. HB 49, the proposed state operating budget bill. In addition to OML Executive Director Kent Scarrett providing testimony on a wide range of issues included in the current version of the budget impactful to Ohio cities and villages, we are grateful that municipal officials from across the state were able to attend the hearing and provide excellent testimony specifically concerning the municipal tax components in the version before the Senate Finance Committee.

We are also grateful for the attendance and attentiveness of the committee members as they received this critical information from our members, as Senators make decisions so impactful to municipalities and the almost 9 million Ohio taxpayers who call an Ohio city or village home.

Robert Wright, Income Tax Commissioner for Bowling Green and President of the Northwest Ohio Tax Commissioners Association, kicked off the testimony on the municipal side with rebuttal points to ODT's claim that their alternative centralized collection proposal will relieve any administrative burden for either municipalities or businesses. "A business will still be required to collect the same information as it currently

does," he said. "The time consuming, hard work is collecting and compiling the data, not calculating the percentage. What will Taxation actually be doing to justify the 1% fee?" Robert's testimony can be found [HERE](#).

Athens City Auditor, Kathleen Hecht spoke next to the revenue loss the city would experience if "throwback" were eliminated. "Before you implement another round of revenue reduction upon cities, you should first consider the impact this will have on the residents throughout the state," she asked. "Listen to the impact numbers from each municipality and turn those numbers into actual budget cuts for each city and village." Kathleen's testimony can be found [HERE](#).

OML Board of Trustees member and Mason City Councilperson Diana Nelson, CPA, testified in opposition to any form of centralized collection, on the grounds that state control does not make it easier for businesses to file their returns but instead adds another layer to the process and will compromise fairness, quality of service, and simplicity. She concluded, "Businesses will be helped more by the State simplifying their own tax rules than misguided efforts to exert control over local taxes." Diana also serves as a CFO for a business in southwestern Ohio and as a taxpayer advocate to a federal advisory board for the IRS, lending a unique perspective for committee members. Diana's testimony can be found [HERE](#).

Mindy Frank, Income Tax Administrator for Columbus followed councilperson Nelson, explaining among other things how current municipal income tax law provides uniformity and clarity for businesses and how any form of state centralized collection - particularly ODT's proposed mandated five-year lock in filing period for businesses fling through OBG - would be "bureaucratically burdensome and definitely not business friendly." Mindy's testimony is [HERE](#).

Kent Scarrett, OML's Executive Director, not only addressed the municipal income tax issues in the budget, but also covered other amendments in the bill affecting municipalities including: supporting the House language on the rebuild of OBG, supporting language being proposed to address brownfield remediation efforts, and supporting the removal of the capacity based measurements in the alternative LGF distribution formula. His testimony opposed the lead preemption amendment, the predatory annexation amendment, the municipal unitization amendment, and the removal of \$24 million from the municipalities' LGF apportionment for redistribution to townships and smaller villages. Scarrett closed his comments to committee members with an update on the ruling last Friday from the Franklin County Common Pleas Court Judge Frye, determining that the language preempting local right of way management practices as they relate to the installation of small cell wireless infrastructure, amended into SB 331 during the Lame Duck session last General Assembly, violates Ohio's "single subject" rule in the Ohio constitution and is unenforceable. Scarrett impressed upon the committee that any new language on the subject should not be included in the state operating budget and should be introduced as stand-alone legislation so that the issue can be transparently vetted and the legislative process be respected. A copy of Kent's testimony can be found [HERE](#) although much of the remarks presented were extemporaneous due to a limited amount of time to present the concerns of the League.

To wrap-up the municipal testimony, Richard Donnelly, Tax Administrator for Grove City, detailed in real numbers and actual examples the impact the elimination of "throwback" would have on business attraction, local infrastructure, and jobs. "A road that does not get built does not generate angry calls from businesses or residents about its potholes," he said. "But a road that does not get built does not spark development, and that missed opportunity for development means Ohio misses out on the private sector jobs that development would have brought." Mr. Donnelly also discussed the significant financial impact the essential repeal of the throwback language would have on his community. The testimony can be found [HERE](#).

Once again, we want to thank those who spent their day with us at Ohio's Statehouse. We are grateful for your commitment to your communities. We are also very grateful to all of our members who continue to contact their Senators and members of the House to impress upon them the importance of local control of local revenues and challenges that mount when less revenue is available locally to reinvest in Ohio's future.

SMALL CELL WIRELESS LEGISLATION STRUCK DOWN

Last Friday, Franklin County Common Pleas Court Judge Richard Frye issued an opinion that the small-cell wireless provisions in last year's Senate Bill 331 were unconstitutional, because they violated the Ohio single-subject rule. The single-subject rule arises from the Ohio Constitution, initiated basically to protect the citizenry from the legislature stacking multiple, unrelated subjects into one piece of legislation, thus challenging the virtues of transparency and denying a proper opportunity for a thorough review of future laws. SB 331 was originally drafted as a bill to address the business practices of Petland pet stores and the concerns several municipalities had with how they sourced their puppies for sale. However, late in the bill's legislative process, provisions were added that preempted the ability of only municipalities to regulate the installation of small cell wireless equipment in municipal right of ways, outlawed the practice of bestiality, and preempted any political subdivision from having a different minimum wage than the state. Judge Frye found that the small cell wireless and the minimum wage preemptions were unconstitutionally included in the enacted legislation. A copy of the ruling and judgement can be found [HERE](#) & [HERE](#).

The Judge stated in his opinion, "SB331 passed the Senate initially to protect puppies. Nothing in the record before the court suggests that the broad telecommunications provisions now in focus were given formal hearings in either chamber. Instead, in the rush to conclude the lame duck session, SB331 passed out of the House Finance Committee, and was approved on the floor of both the House and Senate all on the same day. Hasty consideration of such a diverse assortment of subjects directly undermines the policy underlying the one-subject rule, which is to encourage a more orderly and fair legislative process."

Dan Tierney, spokesperson for Attorney General Mike DeWine's office, told Hannah News the state is still reviewing the decision to determine if it will appeal. The case is *The City of Bexley, Ohio, et atl., vs. The State of Ohio*, Case No.: 17 CV 2672 in the Court of Common Pleas in Franklin County, Ohio.

OML TESTIFIES ON THE WORKERS COMPENSATION BUDGET

On Tuesday, OML Director of Communications Josh Brown testified to the Senate Insurance and Financial Institutions Committee in support of the House-passed version of House Bill 27, which is the worker's compensation budget. The bill was introduced by Representative Tom Brinkman (R-Mt. Lookout). Brown testified specifically about a change to occupational disease laws that we have reported on extensively in recent bulletins.

The changes Brown testified to are part of an agreement between the League and the Ohio Association of Professional Firefighters. The Committee members asked for clarification of the sections and some perspective in terms of how these changes would affect small municipalities in particular. Overall, there did not appear to be any objections. In fact, some members expressed satisfaction that management and the unions were able to work together on these changes after a vigorous debate over the issues involved.

MARYLAND COURT ISSUES PUBLIC RECORDS OPINION

In a welcomed trend that may be developing across the country, the Maryland Court of Appeals (Maryland's highest court) has decided to allow a requirement that those requesting public records provide reasonable search fees when the search process involves an exhaustive review of thousands of emails and documents. The reasoning

partially involved the extraordinary costs involved in the request. Also, part of the reasoning lied in the nature of the request: public offices often receive requests for "any and all" documents. In this fact pattern in particular, the plaintiff sought "any and all" documents related to a police officer that had written the plaintiff a traffic ticket, including personnel and disciplinary files. Such requests can require extraordinary time and resources. Public offices in Ohio have taken note of the case and the trend, although the Maryland Court's decision is not authoritative in Ohio. The League has long advocated for public records policies that recognize the practical issues that cities and villages face. We hope that it is the development of policies and precedents that will help curb frivolous yet costly document requests. The case is: *Glass v. Anne Arundel County*, No. 20 (Md. Ct. App. May 26, 2017) and a copy of an overview of the issue and decision can be found [HERE](#).

MAYORS CONFERENCE WELCOMES CHIEF JUSTICE

This coming Wednesday June 14th to Friday June 16th, the Mayors Association of Ohio will hold its annual conference. In addition to the group welcoming the Supreme Court of Ohio's Chief Justice Maureen O'Connor as its key-note speaker on the first day of the conference, the three-day meeting will include many important sessions on local control, economic development strategies administrative and best practices being used in municipalities across the state for mayors to consider when working with issues in their communities.

Last year's event was a huge success and we look forward to a great conference this year.

For a full agenda for the Mayor's Conference, click [HERE](#).

OML INCOME TAX CONFERENCE REGISTRATION OPEN

The League would like to remind our members that registration is open and rooms are filling up for our 2017 Municipal Income Tax Conference. Click [HERE](#) to visit our new website for registration, and check out our schedule and speaker line-up online as well.

This year we will be addressing topics pressing for local tax authorities, discussing the changes the passage of the state operating budget will bring to local tax efforts, and hearing from a panel of legislators on the future of municipal income tax.

COMMITTEE SCHEDULE FOR NEXT WEEK

Although right now it is not much, below is the current committee schedule for next week. The Senate Finance Committee has yet to release their agenda. Please check the League website for all updates to the hearing announcements.

Tuesday, June 13, 2017

SENATE INSURANCE AND FINANCIAL INSTITUTIONS

Tue., Jun. 13, 2017, 9:30 AM, Senate Finance Hearing Room

Sen. Hottinger: 614-466-5838

WORKERS' COMPENSATION BUDGET (BRINKMAN T) 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.

Third Hearing, Opponent/Interested Party Testimony

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Jun. 13, 2017, 12:45 PM, Hearing Room 116

Rep. Dever: 614-466-8120

BOND AND OBLIGATION MATURATION (GREENSPAN D) To increase from five to ten years the maturity period of other political subdivision's bonds and obligations eligible for investment of a subdivision's interim moneys.

First Hearing, Sponsor Testimony

Wednesday, June 14, 2017

SENATE WAYS AND MEANS

Wed., Jun. 14, 2017, 9:00 AM, South Hearing Room

Sen. Eklund: 614-644-7718

PROPERTY TAX COMPLAINT PROCESS (COLEY W) To limit the right to initiate most types of property tax complaints to the property owner and the county recorder of the county in which the property is located.

Second Hearing, Proponent Testimony

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE
COMMITTEE SCHEDULE**



Legislative Bulletin

June 2, 2017

We hope everyone had a good, long Memorial Day weekend. Because of the day of recognition for those that have sacrificed and gone before us, this week was more abbreviated than others with a generally light legislative schedule for the members of the General Assembly. The Senate Finance committee resumed their public hearing schedule with testimony on Tuesday, Wednesday and Thursday from various statewide associations and other groups who have a stake in the state operating budget.

As we discussed in our bulletin last week, public testimony on the proposed state budget, sub. HB49, will continue next week and the League is targeting Tuesday, June 6th, 11 am (Senate Finance Hearing Room) as a day when municipal officials can have a focused, concerted effort to provide committee members with information pertinent to municipal concerns. The League has been helping to coordinate the testimony of numerous municipal officials who will be delivering their remarks to the committee members and staff would be happy to assist other League members with questions or assistance in preparing remarks. If you are interested in testifying, please contact our Legislative Advocate Ashley Brewster at abrewster@omloho.org. Written testimony and witness slips must be sent to the Chairman's office 24 hours in advance of the committee. We will be happy to coordinate your submissions with Chairman Oleslegar's office.

The OML continued visiting with members of the Senate this week in our ongoing efforts to educate legislators on budget issues impactful to Ohio municipalities and to make certain requests for changes in language. League staff had particularly productive meetings with Senate President Larry Obhof and Senate Minority Leader Kenny Yuko (separately) and we greatly appreciate these two leaders time and consideration of the concerns and requests of our members. All of the members of the Ohio Senate we have been fortunate to meet with and to engage in sometimes lengthy conversations about very important matters included in the current budget language have been extremely gracious with us and patient to understand the complexities our issues sometimes entail.

We would like to thank the members of the Senate who have committed to offering alternative language through amendments on the League's behalf, which would change current proposals challenging to Ohio cities and villages and to strike other sections that need further review, which the budget process does not provide.

President Obhof has stated that a substitute bill will be due around June 12 with the Senate setting June 21 as the target date for the floor vote. It is expected that the House will not concur with the changes made by the Senate and the bill will be sent to a budget conference committee where differences will be resolved and the bill presented to the Governor for his signature June 30th.

ODT'S REVISED MUNICIPAL INCOME TAX ON BUSINESS ENTITIES PROPOSAL

Yesterday, League staff was provided a copy of the legislative language drafted by the Ohio Department of Taxation which the administration favors over the current language included in sub. HB49 to deal with the challenges and desires of some municipal net profit filers who have filing obligations in multiple municipal jurisdictions. The revised language and bullet points can be found [HERE](#) (Bullet points) & [HERE](#) (Language).

Upon review, League staff and interested municipal tax administrators have found various items included in the language. Not only does the amendment, among other things, create the opt-in proposal for business filers to use

the gateway for five years and charges municipalities a 1% service fee to administer less than 15% of a municipality's complete income tax structure, but it also moves up the repeal date of the "throwback" provision to January 1, 2018 and makes other changes to the municipal income tax system as a result of HB5, the municipal tax reform bill passed and enacted in 2014.

We very much appreciate the Tax Commissioner providing us with the language and revised bullet points. It is unfortunate that there was not an interest shown to communicate with our members about the changes being proposed so that differences could be identified and solutions could be explored. We are hopeful that the Ohio Senate does not entertain this sweeping and completely unvetted language and that the proposal is not included in the state operating budget. Efforts are being made by the administration and interested parties to force these major policies changes into the budget and onto Ohio municipalities without the opportunity to understand the effects of these tax policy changes. Bad tax policy is a benefit to no one and the legislature should exercise caution before embracing such proposals.

LEAGUE MAKES BUDGET REQUESTS

The Ohio Senate continued hearing testimony from multiple agencies and their budget requests. Senate members were expected to have their budget amendment proposals in this week as well. We anticipate that the Senate leadership will prepare and release the Senate version of the budget within a couple of weeks. During this time, League members are urged to reach out to their members of the General Assembly to express the needs of your city or village.

The League has submitted our requests for the budget to the members of the Ohio Senate. The League's top priority requests include:

1. Centralized collection of municipal net profits tax

- The League **supports** provisions made by the Ohio House that returns the muni net profit tax to chapter 718; invests nearly \$33 million over the biennium to upgrade technological capabilities to the Ohio Business Gateway (OBG); keeps the portal permissive for business filers who choose to use the state system while retaining auditing and review authorities of local tax administrators.
- The League **opposes** language that retains the authority of the Ohio Department of Taxation to collect and redistribute municipal revenues that flow through the OBG. This is the current role of the Department of Administrative Services (DAS) and should remain with that state agency.

2. The "Throwback Rule"

- The League **opposes** the House language that creates a "nexus to nowhere" preventing the application of the tax and **supports** language that would remove the throwback provision, section 718.02, entirely from the budget bill and go back to current law so that it may be studied further to see what intended and unintended consequences there would be for our members and businesses.

3. Changes to the Local Government Fund:

- The League **supports** most of the changes made by the House, especially the removal of the capacity based formula submitted by the executive branch.
- The League is working with members to have section 5747.503 **removed** from the bill. This section takes \$24 million from the municipal share of the LGF distribution and redistributes it to the more than 1,300 Ohio townships and villages with a population less than 1,000.

4. Municipal Water and Sewer Changes

- The League **opposes** changes that would penalize municipal corporations that do not timely publish an area wide waste treatment management plan and that does not charge the same sewer and water rates its residents and nonresidents; the language reduces Local Government Fund (LGF) payments by 20% until such time as the municipality charges the same sewer and water rates to all of its customers. This language is targeted specifically at the city of Columbus but the language is written in a manner that impacts could also be experienced by other municipalities.

5. Lead Abatement

- The League **opposes** this provision that would preempt municipal lead abatement programs currently in place, replacing local efforts with a yet to be developed Ohio Department of Health statewide abatement program. The language as currently drafted would give the state sole and exclusive authority to compel, prohibit, license, or regulate lead abatement activities in Ohio, including the licensing of lead abatement professionals.

These requests can be viewed in more detail and League's other budget requests can be viewed in detail [HERE](#).

WORKERS COMPENSATION BUDGET RECEIVES HEARING

The Senate Insurance and Financial Institutions Committee held its first hearing on House Bill 27, the workers' compensation budget, introduced by Representative Tom Brinkman (R-Mt. Lookout). Testimony was taken from Representative Brinkman and BWC Administrator/CEO Sarah Morrison.

The significant changes that were discussed included a provision that would prohibit illegal aliens from receiving workers' compensation, required standards for maintaining a sufficient number of certified health care providers, a reduction in the statute of limitations for injury claims from two years to one year, shortening the statute of repose for firefighter cancer claims from 20 years to 15 years, and prohibiting state agencies from taking "quasi-legislative or quasi-judicial" actions with a retrospective impact unless authorized by the General Assembly.

The statute of limitations reduction is insignificant because 98% of claims are filed within a year of the trigger point for the statute to run. The shortening of the statute of repose for firefighter cancer claims was not a request from the League, but is essentially insignificant because the latency period for any type of cancer is far less than 15 years. About a year ago, in a different bill, we did suggest a shorter statute of repose of five years. The League is also supporting an amendment to the existing firefighter cancer law that was the product of an agreement between the League and the Ohio Association of Professional Firefighters. This agreement would clarify the employer's burden in showing a causal relationship between the carcinogenic exposure and the type of cancer the claimant alleges.

In testimony, Representative Brinkman noted the changes that were made and received no questions. Administrator Morrison, on the other hand, received a multitude of questions. Most were intended to urge her to opine on the merits of the policy changes in the bill. Morrison refused to do so, noting that policy is a legislative decision and that the BWC can administratively handle the changes. The League will be submitting supporting testimony next week on this workers' compensation budget.

TESTIMONY HEARD ON TRANSPORTATION FUNDING ISSUES

On Wednesday, the Senate Ways and Means Committee heard testimony from Sean Slone, Director of Transportation and Infrastructure Policy and the Council of State Governments (CSG). Slone's testimony was intended to educate members about the available options regarding transportation funding. Slone noted the multitude of gas tax increases across the country, while Ohio's has remained steady at \$.28 per gallon.

Slone testified that many states have recently raised their gas taxes. He quoted experts who said that this is the simplest way to deal with transportation shortages. He went into specifics from multiple states, including Indiana, Michigan, and Utah.

Slone's testimony was based on a power point, which can be viewed [HERE](#).

HOUSE HOLDS HEARING ON PROPOSAL TO FURTHER RESTRICT TRAFFIC CAMERAS

Last week, we reported on sponsor testimony concerning four bills that are interrelated: House Bills 207, 208, 209, and 210. Each was introduced by Representative Tom Patton (R-Strongsville). Each bills does the following respectively:

HB 207: To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.

HB 208: To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photomonitoring devices.

HB 209: To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.

HB 210: To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.

The pieces of legislation represent an ongoing conversation related to a specific community and could not be considered "general law." The League has deep concerns for the direction of these proposals as they challenge the authorities of the Home Rule provisions of the Ohio constitution, are punitive in nature, take away more resources to already challenged law enforcement agencies and seems to be a solution in search of a problem.

This week the Ohio House State and Local Government Committee allowed proponent testimony on the bill. No proponents testified. We are in the process of preparing for opponent testimony. If you would like to testify, please contact Josh Brown at: jbrown@omloho.org.

MAYORS CONFERENCE WELCOMES CHIEF JUSTICE

On Wednesday June 14th to Friday June 16th, the Mayors Association of Ohio will hold its annual conference. In addition to the group welcoming The Supreme Court of Ohio's Chief Justice Maureen O'Connor as its key-note speaker on the first day of the conference the three-day meeting will include many important sessions on local control, economic development strategies administrative and best practices being used in municipalities across the state for mayors to consider when working with issues in their communities.

Last year's event was a huge success and we look forward to a great conference this year.

For a full agenda for the Mayor's Conference, click [HERE](#).

OML INCOME TAX CONFERENCE REGISTRATION OPEN

The League would like to remind our members that registration is open and rooms are filling up for our 2017 Municipal Income Tax Conference. Click [HERE](#) to visit our new website for registration, and check out our schedule and speaker line-up online as well.

This year we will be addressing topics pressing for local tax authorities, discussing the changes the passage of the state operating budget will bring to local tax efforts, and we will also be hearing from a panel of legislators on the future of municipal income tax.

COMMITTEE SCHEDULE

Below is the list of announced committee meetings for next week, with bills of municipal interest included on the calendar. Often schedules are released after our bulletin is complete so please check our website Monday for any revisions to the committee hearing line-up.

Tuesday, June 6, 2017

HOUSE WAYS AND MEANS

Tue., Jun. 6, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100

SB131

EMPLOYEE COMPENSATION-TAX CREDITS (DOLAN M) To provide that compensation paid to certain home-based employees may be counted for purposes of an employer qualifying for and complying with the terms of a Job Creation Tax Credit.

First Hearing, Sponsor Testimony, PENDING REFERRAL

HB185

POLITICAL CONTRIBUTIONS TAX CREDIT (HAMBLEY S) To expand the scope of political contributions that qualify for the income tax credit for contributions to political campaigns to candidates for any state, county, municipal, or district office.

First Hearing, Sponsor Testimony

SENATE INSURANCE AND FINANCIAL INSTITUTIONS

Tue., Jun. 6, 2017, 9:30 AM, Senate Finance Hearing Room
Sen. Hottinger: 614-466-5838

HB27**

WORKERS' COMPENSATION BUDGET (BRINKMAN T) 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.

Second Hearing, Proponent Testimony

SENATE FINANCE

Tue., Jun. 6, 2017, 11:00 AM, Senate Finance Hearing Room
Sen. Oelslager: 614-466-0626

HB49**

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

Ninth Hearing, All Testimony

HOUSE ENERGY AND NATURAL RESOURCES

Tue., Jun. 6, 2017, 3:00 PM, Hearing Room 018
Rep. Landis: 614-466-8035

HB225

ABANDONED WELL REGULATION (THOMPSON A) To allow a landowner to report an idle and orphaned well or abandoned well, to require the Chief of the Division of Oil and Gas Resources Management to inspect and classify such a well, to require the Chief to begin plugging a well classified as distressed-high priority within a specified time period, and to authorize an income tax deduction for reimbursements paid by the state to a landowner for costs incurred to plug an idle or orphaned well.

First Hearing, Sponsor/Proponent Testimony

Wednesday, June 7, 2017

SENATE WAYS AND MEANS

Wed., Jun. 7, 2017, 9:00 AM, South Hearing Room

Sen. Eklund: 614-644-7718

SB113**

VEHICLE REGISTRATION TAX (COLEY W) To levy an additional registration tax on passenger cars, noncommercial motor vehicles, and commercial cars and trucks beginning on January 1, 2020; to authorize a per-gallon motor fuel retail price reduction for consumers that is equal to the state per-gallon motor fuel tax of \$.28; and to exempt each gallon of motor fuel that is sold at the reduced retail price from the state motor fuel tax.

First Hearing, Sponsor Testimony

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE

Wed., Jun. 7, 2017, 10:15 AM, South Hearing Room

Sen. LaRose: 614-466-4823

HB28

INDUSTRIAL COMMISSION BUDGET (BRINKMAN T) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of Commission programs.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE FINANCE

Wed., Jun. 7, 2017, 11:00 AM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

HB49**

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

Tenth Hearing, All Testimony

OHIO HOUSE

Wed., Jun. 7, 2017, 1:30 PM, House Chambers

OHIO SENATE

Wed., Jun. 7, 2017, 1:30 PM, Senate Chambers

Thursday, June 8, 2017

SENATE PUBLIC UTILITIES

Thu., Jun. 8, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. Beagle: 614-466-6247

SB128**

ZERO-EMISSION NUCLEAR PROGRAM (EKLUND J, LAROSE F) Regarding the zero-emissions nuclear resource program.

Fourth Hearing, All Testimony

SB155

ELECTRIC DISTRIBUTION COST RECOVERY (TERHAR L, PETERSON B) To allow electric distribution utilities to recover costs for a national security generation resource.

Second Hearing, All Testimony

OHIO RETIREMENT STUDY COUNCIL

Thu., Jun. 8, 2017, 10:00 AM, Hearing Room 121

Bethany Rhodes

On the agenda:

- ORSC budget
- SB151 recommendation
- HB242 recommendation
- Recommendation on draft HPRS omnibus
- Rules

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE
COMMITTEE SCHEDULE**



Legislative Bulletin

May 26, 2017

Legislators packed in another full legislative week at the statehouse in advance of the upcoming Memorial Day weekend and the shortened schedule next week. Next week, the Senate Finance Committee will reconvene with budget hearings as the sub committees conclude their review of specific subsets of the House budget language. Members have asked for an updated sample resolution to reflect the administration's latest proposal to centrally collect municipal net profits. A copy of the sample language can be found [HERE](#). We continue to encourage members concerned about schemes by the state to create a "permissive but mandatory" centralized collection system for municipal net profits to remind their senators that local control must be preserved and that the Ohio Business Gateway (OBG) rebuild is the prudent path to take.

LEAGUE OFFERS TESTIMONY ON BUDGET

This past Tuesday, the Senate Finance Subcommittee on General Government and Agency Review heard testimony from OML Executive Director Kent Scarrett and Grove City Finance Director Richard Donnelly on municipalities' opposition to the Tax Commissioner's alternative centralized collection proposal, as well as the elimination of the "throwback" provision.

Dir. Scarrett made a plea for the General Assembly to cease the continual erosion of Home Rule before outlining the ways in which the Tax Commissioner's proposal is not the alleged "win-win" for both businesses and municipalities, including the increased financial and administrative burden the proposal would place on local communities. He then spoke on the revenue losses facing many municipalities were the "throwback" provision eliminated. Being limited to five minutes to present testimony, the majority of the testimony centered on the municipal tax issues included in the substitute budget bill but the director closed his presentation of the remaining issues that the League opposes including the redirecting of \$24 million from municipal LGF distributions to townships and very small villages; the local lead abatement program preemption; language prescribing how Columbus provides water services and "predatory annexation" language; the inclusion of municipalities in the "unitization" of mineral rights and the lowering of the signature requirements to dissolve a village.

Finance director Donnelly followed the League with an overview of the intended and unintended consequences to the repeal of the "throwback" rule. "Poorly drafted tax law is no one's friend," said Mr. Donnelly as he detailed the ways in which the proposed loss of municipal revenue is not only bad for the local communities affected, but also negatively impacts the same businesses housed by those local communities.

Copies of both testimonies can be found [HERE](#) and [HERE](#). Please continue to contact your legislators to educate them on these issues and to express our unified opposition to both these important proposals.

CALL TO TESTIFY PUBLIC HEARINGS SCHEDULED FOR BUDGET BILL

Today, the Senate Finance Committee released the committee hearing schedule for the next month, as the committee resumes full hearings on the House passed two year state operating budget language. A copy of the schedule can be found [HERE](#).

Although municipal officials who have concerns with budget items or support current proposals are strongly encouraged to participate in the legislative process by providing testimony, we would like to target Tuesday, June 6th, as a day when we can have a concerted effort to have testimony on municipal issues. OML Executive

Director Scarrett will be providing testimony along with municipal officials who have expressed an interest to help impress upon senators the need to change some items and to preserve others. Our members are the best positioned to not only educate the Senators on these issues, but to explain why their passage would harm our local communities and, by proxy, the state.

Through our bulletins, we have presented the list of issues that the league supports and the areas we seek changes including concerns that persist with the language related to the Ohio Business Gateway (OBG) and the continued role of the Department of Taxation in distributing municipal net profit revenues and the revenue loss municipalities across the state will experience if the "throwback" provision is repealed.

Additionally, the Senate Finance Committee has heard an alternative proposal for centralized collection from the Department of Taxation, which we have detailed in previous bulletins. A one page list of bullet points produced by the Department of taxation can be accessed [HERE](#). The League has not been provided actual legislative language to judge what the real proposal includes. If our request to see the proposed language is granted, we will be sure to share it with our members. As we understand it from the limited information available, the proposal would wrest control away from municipalities and create a serious financial and administrative burden for local taxing authorities.

If you are interested in testifying, please contact our Legislative Advocate Ashley Brewster at abrewster@omloho.org. Written testimony and witness slips must be sent to the Chairman's office 24 hours in advance of the committee. We will be happy to coordinate your submissions with Chairman Oleslegar's office.

There are a number of amendments that were added by the Ohio House that has our attention but one particular amendment has garnered extra scrutiny by our members and staff. Representative Derrek Merrin (R-Waterville) has proposed an amendment to the budget that would give the Ohio Department of Health "sole and exclusive authority to compel, prohibit, license, or regulate lead abatement activities within the state, including the licensing of lead abatement professionals and excepting only those activities for which oversight has been delegated by the Revised Code to boards of health." This language has been included in the state operating budget bill specifically to overrule multiple local ordinances that direct local authorities to inspect and order remediation of unsafe living conditions participially related to lead-based paint issues. We appreciate the efforts of our members to communicate to members of the General Assembly their positions on important issues such as this, either through resolutions or other communication tools.

As a resource to our members who have expressed an interest in language addressing this particular preemption of local authorities, we are happy to share a resolution the City of Cincinnati recently adopted expressing opposition to the proposal in HB49 that would remove the authority of Ohio local governments to abate lead hazards. A copy of the resolution can be found [HERE](#).

We urge our members to constantly be vigilant and voice their concerns to the legislature and we greatly appreciate the efforts of our members to lead in this regard.

COMMITTEE HEARS TESTIMONY ON BUILDING INSPECTORS BILL

On Tuesday, the Ohio House Economic Development, Commerce, and Labor Committee heard opponent testimony on House Bill 128, which was introduced by Representative Kristina Roegner (R-Hudson), 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.

First, we would like to thank the many OML members that helped arrange for opponent testimony. Also, we would like to thank the Ohio Building Officials Association (OBOA), which helped get nearly two dozen officials, inspectors, and other experts to the Committee to testify. The Committee also heard testimony from the Ohio Fire Chiefs Association, which provided excellent testimony from their President, Chief Jonathan Westendorf. Also, the Committee heard great testimony from the International Association of Electrical Inspectors. We would also

like to thank the Committee members, most of whom stayed for the nearly four hours of testimony we collectively provided.

The League started off the day by providing an overview of the arguments against the bill. Our testimony can be viewed [HERE](#). We stressed that these officials are law enforcement officers whose duty is to protect the safety of the public. We also argued that the bill would infringe on the home rule authority of municipalities, the need to keep local inspections local, and the very comprehensive accountability measures that are already in place. The League suggested an expedited process to help deal with problems related to the speed of accountability measures. That was accepted into the bill, but in addition to the offending parts, rather than in lieu of them. Testimony was then given by the OBOA, which went into more detail about the current system and their recommendations. Testimony was then offered by nearly two dozen individuals, both oral and written, that went into details and anecdotes that reinforced our message.

If there are League members who have stories of opposition they would like to share concerning this bill, we can still submit them to the Committee for review. Please send any thoughts or concerns to OML Director of Communications, Josh Brown at jbrown@omloho.org.

SPONSOR TESTIMONY GIVEN AGAINST TRAFFIC TECHNOLOGY

Sponsor testimony was heard by the Ohio House State and Local Government Committee on four bills that are interrelated: House Bills 207, 208, 209, and 210. Each was introduced by Rep. Tom Patton (R-Strongsville). Each bill will do the following respectively:

HB 207: To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.

HB 208: To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photo monitoring devices.

HB 209: To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.

HB 210: To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.

Representative Patton essentially presented all four bills at once. Representative Patton focused much of his testimony on one municipality, the Village of Linndale, which is located just outside of Cleveland and near where Patton himself lives. He stressed that the Village issues a large number of tickets, relative to its population and geographic area. However, he also mentioned that Linndale has a major thoroughfare running through it and has a large population of traffic moving through it.

Patton also complained that 80% of Linndale's revenue allegedly comes from traffic cameras but failed to address the added challenges and costs to a small village associated with having a heavily-trafficked thoroughfare running through it, which are extensive.

Members should note that abuse of traffic cameras was addressed in the 2014 with Senate Bill 342, a bill essentially written by members who wanted to ban traffic cameras altogether. The bill amended ORC 4511.092 to incorporate exhaustive accountability provisions, including:

- Requires a law enforcement officer to be present at the location of a traffic law photo-monitoring device at all times during the operation of the device
- Signage requirements, warning drivers of the camera usage

- Extensive requirements regarding appeals of tickets
- Requires a local authority to take all of the following actions prior to deploying a traffic law photo-monitoring device :
 - ○ Conduct a safety study of each location that is being considered for a traffic law photo-monitoring device;
 - ○ Conduct a public information campaign;
 - ○ Publish notice of the intent to utilize a traffic law photo-monitoring device, the locations at which the devices will be utilized, and the date on which the devices will become operational;
 - ○ Refrain from imposing fines for violations detected by a traffic law photo monitoring device for at least 30 days after deployment of the device and send warning notices instead.
 - ○

COMMITTEE HEARS SPONSOR TESTIMONY ON FIRST-RESPONDER PTSD BILL

On Wednesday, the House Insurance Committee heard sponsor testimony from Rep. Tom Patton (R-Stongsville) on House Bill 161. The legislation as proposed would:

- make peace officers, firefighters, and emergency medical workers diagnosed with post-traumatic stress disorder arising from employment without an accompanying physical injury, eligible for compensation and benefits under Ohio's Workers' Compensation Law for up to one year
- prohibit such a person from receiving a disability benefit from a state retirement system for post-traumatic stress disorder arising from employment without an accompanying physical injury during the time period the person receives compensation and benefits under the Workers' Compensation Law for the disorder.

A companion bill in the Senate has also been introduced, Senate Bill 118, introduced by Senators Frank LaRose (R-Hudson) and Edna Brown (D-Toledo).

The League has opposed previous iterations of this bill and plans on opposing this one as well. We made extensive recommendations to the sponsor concerning this subject in the last General Assembly and unfortunately they were not included in the bill this time around. In short, the League opposes the bill for multiple reasons. First, the bill would begin the process of allowing "mental-mental" claims in the workers' compensation system with no accompanying physical injury. This would change the fundamental nature of workers compensation. Secondly, the bill includes virtually no safeguards to deal with issues of fraud, abuse, or ensuring workplace causation. We anticipate the legislative process will play out and as we make these concerns known, we are optimistic that we may be able to improve the bill.

2017 INCOME TAX CONFERENCE AGENDA SET

The Ohio Municipal League is pleased to announce that registration is open for our 2017 Municipal Income Tax Conference. Click [HERE](#) to visit our brand-new website for registration, and check out our schedule and speaker line-up online as well. This year we will be addressing topics pressing for local tax authorities, discussing the changes the passage of the 2017-2019 Budget will bring, and we will also be hearing from a panel of legislators on the future of municipal income tax.

We encourage everyone who is interested to register right away!

MUNICIPAL POLICY GROUP BREAKFAST SUCCESS

On Wednesday, the OML Municipal Policy Group met at the Sheraton Hotel for a policy discussion with Senate President Larry Obhof. We had a great discussion that helped us understand what the Leader's thoughts were relative to the budget. Leader Obhof informed us that state revenues are down and that this is due to many factors. He sees this upcoming budget as a difficult challenge for the General Assembly, but he is confident they will be able to make necessary adjustments. We would very much like to thank Senate President Obhof and the members that joined us for breakfast and the discussion about the future of the state and Ohio's municipalities.

MAYORS ASSOCIATION OF OHIO CONFERENCE WELCOMES CHIEF JUSTICE

On Wednesday June 14th to Friday June 16th, the Mayors Association of Ohio will hold its annual conference.

The group is honored to welcome Supreme Court of Ohio's Chief Justice Maureen O'Connor as key-note speaker on the first day of the conference. The Chief will share her insights about the court and discuss issues related to the municipal court system in Ohio.

Chief Justice O'Connor's biography can be viewed here: <https://www.supremecourt.ohio.gov/SCO/justices/oconnor>

For a full agenda for the Mayor's Conference, click [HERE](#).

DRONE ADVISORY GROUP ADDRESSES WEAPON ATTACHMENTS

Work continues on the Ohio Attorney General's Advisory Group on Unmanned Aircraft Systems (UAS) which is tasked with creating a model policy for drone use. This week the Group considered whether lethal weapons should be allowed or disallowed on drones. The National Conference of State Legislatures (NCSL) issued a report about this subject, concluding that states are allowed to prohibit weapons on drones. The Federal Aviation Administration has also stated the same. Three states current prohibit weapons: Maine, North Dakota, and Virginia. The group is expected to finalize its model policy next month. If you would like to contribute to this group's discussions, contact: Dan Tierney: 614-466-3840 or Jill Del Greco: 614-466-3840.

COMMITTEE SCHEDULE FOR THE WEEK OF MAY 29, 2017

Tuesday, May 30, 2017

JOINT COMMITTEE ON AGENCY RULE REVIEW

Tue., May. 30, 2017, 1:30 PM, Hearing Room 121

Larry Wolpert: 614-466-4086

SENATE FINANCE

Tue., May. 30, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

Committee will hear subcommittee reports.

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

Sixth Hearing, Invited Testimony

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

SENATE INSURANCE AND FINANCIAL INSTITUTIONS

Tue., May. 30, 2017, 4:30 PM, Senate Finance Hearing Room

Sen. Hottinger: 614-466-5838

HB27** WORKERS' COMPENSATION BUDGET (BRINKMAN T) 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.

First Hearing, Sponsor/Proponent Testimony

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

Wednesday, May 31, 2017

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE

Wed., May. 31, 2017, 10:15 AM, South Hearing Room

Sen. LaRose: 614-466-4823

Agenda TBA

HOUSE HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

Wed., May. 31, 2017, 11:00 AM, Hearing Room 115

Rep. Duffey: 614-644-6030

HB203 YOUTH SUMMER JOBS INITIATIVE (BARNES, JR. J) To require the Director of Development Services to establish a youth summer jobs pledging initiative to increase access to summer employment opportunities for high school and college youth.

First Hearing, Sponsor Testimony

HB217 COLLEGE APPLICATIONS-DISCIPLINARY ACTIONS (BRENNER A) To prohibit institutions of higher education from requiring students to disclose disciplinary actions on their applications for admission.

First Hearing, Sponsor Testimony

SENATE RULES AND REFERENCE COMMITTEE

Wed., May. 31, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

HOUSE STATE AND LOCAL GOVERNMENT

Wed., May. 31, 2017, 12:00 PM, Hearing Room 122

Rep. Anielski: 614-644-6041

HB146 CORONERS EDITING DEATH CERTIFICATES (HOUSEHOLDER L) To allow a coroner to change the cause, manner, and mode of death in a filed death certificate only after a hearing in the court of common pleas.

Third Hearing, All Testimony

HB168** CEMETERY MAINTENANCE AND REGISTRATION (STEIN D) To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

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

HB207** TRAFFIC PHOTO RESTRICTION-EMERGENCY SERVICES (PATTON T) To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.

Second Hearing, Proponent Testimony

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

HB208** TRAFFIC PHOTO RESTRICTION-LOW POPULATION (PATTON T) To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photomonitoring devices.

Second Hearing, Proponent Testimony

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

HB209** TRAFFIC PHOTO RESTRICTION-TICKET LIMIT (PATTON T) To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.

Second Hearing, Proponent Testimony

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

HB210** TRAFFIC PHOTO RESTRICTION-REVENUE LIMIT (PATTON T) To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.

Second Hearing, Proponent Testimony

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

HB229 DAY DESIGNATION-CHARLES FOLLIS (ROMANCHUK M, WIGGAM S) To designate February 3 as "Charles Follis Day."

First Hearing, Sponsor 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.

Third Hearing, All Testimony

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

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

Second Hearing, All Testimony

HOUSE GOVERNMENT ACCOUNTABILITY AND OVERSIGHT

Wed., May. 31, 2017, 12:30 PM, Hearing Room 114

Rep. Blessing III: 614-466-9091

HB218 PROBATE COURT-PARK DISTRICT (SEITZ B) To expand a probate court's powers and duties with regard to a park district.

First Hearing, Sponsor Testimony

HB226** FIREWORKS STUDY GROUP AND EXPANSION (SEITZ B, SWEENEY M) To establish a fireworks study group to review and make recommendations regarding the Fireworks Law, to extend to July 1, 2020, the moratorium on issuing fireworks manufacturer and wholesaler licenses, to eliminate, beginning January 1, 2021, the moratorium on geographic transfer of fireworks manufacturer and wholesaler licenses, and, beginning July 1, 2020, to impose a fee on the retail sale of consumer grade fireworks in this state and to expand the ability of individuals to obtain 1.3G display fireworks and obtain and use 1.4G consumer fireworks.

Second Hearing, Proponent Testimony

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

HB145 IMPAIRED MEDICAL PRACTITIONERS (HUFFMAN S, SPRAGUE R) To provide for the establishment of a confidential program for the treatment of certain impaired practitioners and to declare an emergency.

Second Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HOUSE EDUCATION AND CAREER READINESS

Wed., May. 31, 2017, 1:00 PM, Hearing Room 121

Rep. Brenner: 614-644-6711

HB170 COMPUTER SCIENCE EDUCATION (CARFAGNA R, DUFFEY M) With regard to academic content standards and curriculum requirements for computer science; to revise educator qualifications regarding computer science; to create a competitive technology grant program for the 2018-2019 school year; and to make an appropriation.

Fourth Hearing, All Testimony, AMENDMENTS/SUBSTITUTE BILL/POSSIBLE VOTE

HB176 SCHOOL ASSESSMENTS (THOMPSON A) With regard to state achievement assessments, statewide academic content standards and model curricula, and teacher and administrator evaluations.

Second Hearing, Proponent Testimony

HB200 OPPORTUNITY SCHOLARSHIP PROGRAM CREATION (KOEHLER K) To eliminate the Educational Choice Scholarship Pilot Program and Pilot Project Scholarship Program and to create the Opportunity Scholarship Program.

Second Hearing, Proponent Testimony

HB154 TRUCK DRIVER STUDENT AID (SMITH R, MANNING N) To establish the Commercial Truck Driver Student Aid program and to make an appropriation.

Second Hearing, Proponent Testimony

HB220 NONPUBLIC SCHOOL FUNDS (LELAND D) With regard to the use of funds by community schools and nonpublic schools.

First Hearing, Sponsor Testimony

HOUSE PUBLIC UTILITIES

Wed., May. 31, 2017, 1:00 PM, Hearing Room 313

Rep. Seitz: 614-466-8258

HB239 ELECTRIC UTILITIES-NATIONAL SECURITY RESOURCE (SMITH R, CARFAGNA R) To allow electric distribution utilities to recover costs for a national security generation resource.

Second Hearing, Proponent Testimony, PENDING REFERRAL

OHIO HOUSE

Wed., May. 31, 2017, 1:30 PM, House Chambers

OHIO SENATE

Wed., May. 31, 2017, 1:30 PM, Senate Chambers

CANCELLED

HOUSE CIVIL JUSTICE

Wed., May. 31, 2017, 2:00 PM, Hearing Room 017

Rep. Butler, Jr.: 614-644-6008

HB147 HUMANE SOCIETY AGENTS BRIBERY (HAMBLEY S) To make changes to humane society law and to make humane society agents subject to bribery law.

Second Hearing, All Testimony

HB174 FRANKLIN COUNTY JUDGES (HUGHES J, LANESE L) To add two judges to the Domestic Relations Division of the Franklin County Court of Common Pleas to be elected in 2018.

Second Hearing, Proponent/Interested Party Testimony

HB213 REAL ESTATE APPRAISER LICENSING CHANGES (DEVER J) To change the definition of "appraisal" for purposes of the Real Estate Appraiser Licensing Law, to make changes to certain procedures and the exceptions to licensure under that law, to regulate appraisal management companies, and to declare an emergency.

Second Hearing, All Testimony

HB223 SETTLEMENT PAYMENT RIGHTS TRANSFER (DEVER J) Relative to transfers of structured settlement payment rights.

First Hearing, Sponsor Testimony

SENATE FINANCE

Wed., May. 31, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

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

Seventh Hearing, All Testimony

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

Thursday, June 1, 2017

SENATE PUBLIC UTILITIES

Thu., Jun. 1, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. Beagle: 614-466-6247

SB155 ELECTRIC DISTRIBUTION COST RECOVERY (TERHAR L, PETERSON B) To allow electric distribution utilities to recover costs for a national security generation resource.

First Hearing, Sponsor Testimony

SB128** ZERO-EMISSION NUCLEAR PROGRAM (EKLUND J, LAROSE F) Regarding the zero-emissions nuclear resource program.

Third Hearing, Proponent & Opponent Testimony

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

SENATE RULES AND REFERENCE COMMITTEE

Thu., Jun. 1, 2017, 10:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

OHIO SENATE

Thu., Jun. 1, 2017, 11:00 AM, Senate Chambers

CANCELLED

SENATE FINANCE

Thu., Jun. 1, 2017, 11:00 AM, Senate Finance Hearing Room
Sen. Oelslager: 614-466-0626

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

Eighth Hearing, All Testimony

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

Tuesday, June 6, 2017

SENATE FINANCE

Tue., Jun. 6, 2017, 11:00 AM, Senate Finance Hearing Room
Sen. Oelslager: 614-466-0626

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

Ninth Hearing, All Testimony

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

Wednesday, June 7, 2017

SENATE FINANCE

Wed., Jun. 7, 2017, 11:00 AM, Senate Finance Hearing Room
Sen. Oelslager: 614-466-0626

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

Tenth Hearing, All Testimony

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

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE
COMMITTEE SCHEDULE**



Legislative Bulletin

May 19, 2017

Legislative activity continues to hum along at the Ohio Statehouse as Senate Finance subcommittees continue to hold hearings and unpack issues brought to them in the House-passed version of the state budget in Sub. HB49. Administrative officials continue to lobby hard for priority items from the Governor, including his policy changes proposed in the original budget bill, removed by the House. Those continuing efforts include the administration's insistence that the state and the Department of Taxation can do a better job of administering the municipal income tax than our municipal tax administrators. They remain vigilant in their efforts to remove the ability of cities and villages to administer the net profits portion of the municipal tax.

The efforts by the political forces that want to seize control of municipal revenues through the state operating budget will not end until July 1st, when the Governor is required to have signed and enacted the two-year state budget. Municipal officials concerned about these efforts and the potential of losing control of critical local revenue should remain engaged with their efforts to educate their state legislators about these misguided efforts, as well as the importance of municipalities retaining local control over their tax collection efforts.

TAX COMMISSIONER TESTIFIES ON MUNI TAX PROPOSALS

On Tuesday, Tax Commissioner Joe Testa testified before the Senate Finance Subcommittee on State Government and Agency review. In his testimony, Testa outlined for the Subcommittee the Ohio Department of Taxation's "alternative proposal" for centralized collection. The main components of the alternative proposal are outlined below:

- Ohio businesses would be able to "opt-in" for tax administration to be performed by ODT. If a business wants to continue to deal directly with the municipalities, the business is free to do so.
- Businesses "opting-in" will file one return through the Ohio Business Gateway (OBG), rather than with each municipality in which the taxpayer does business.
- OBG will accept electronic upload of tax returns from commercial software.
- The Ohio Tax Commissioner will be the administrator of this tax for the municipalities in which the business files.
- Businesses choosing to opt-in commit for five years with an automatic renewal unless cancelled by the taxpayer.
- Tax collections will be distributed monthly to the appropriate municipality by ODT, with interest, minus a 1% administrative fee.
- Municipalities will have access to the same information from ODT as they would have received on a filing made with the municipality.
- Municipalities can request that ODT review a business filing.

Obviously, this proposal is no better than the Governor's original proposal. It increases the burden on local tax administrators, imposes extra costs onto municipalities, and wrests control of revenues and filing documents from local authorities. Businesses would also fare no better under this proposal, as OBG software still needs a lot of work and they would be subject to disparaging tax rules and regulations should one business file with the local

taxing authority and another with ODT. This would especially complicate matters within economic development districts like JEDDs or JEDZs.

The Senate must be made aware of municipalities' unequivocal opposition to this proposal. Please contact your Senator and inform them that municipalities are pleased with the House-passed version of the budget, and that any form of centralized collection is a non-starter for our local communities.

CALL TO ACTION: HOUSE COMMITTEE CONTINUES HEARINGS ON BUILDING INSPECTORS BILL

Last week, the Ohio House Economic Development, Commerce and Labor Committee heard proponent testimony on House Bill 128, which was introduced by Representative Kristina Roegner (R-Hudson). As we have reported in previous legislative bulletins, the bill 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. Proponent testimony was offered by Bryan Williams, Director of Government Affairs for the Associated Builders and Contractors.

The League is opposed to the legislation as it currently is written due to that fact that it infringes on the police power of local jurisdictions and makes Ohioans more susceptible to poorly-constructed buildings. We have shared with the bill's sponsor that our members will not agree to any system that undermines the authority of local inspectors-or any law enforcement officials for that matter. A link to the bill's text and the legislative analysis can be found [HERE](#) (Text) & [HERE](#) (Analysis)

This coming Tuesday, May 23rd at 1:30 pm in hearing room #017, the Committee will hold a third hearing for opponent testimony. The League will be providing opponent testimony and is asking if any municipal officials or **especially building inspectors** are interested in testifying on the bill. We encourage them to do so and the League staff would be happy to assist those efforts. If you have questions or have an interest in testifying, please contact OML Director of Communications, Josh Brown at (614)221-4349 or via email at jbrown@omloho.org. You may submit written testimony even if you cannot attend the meeting. Testimony may simply state opposition to the bill or may go into as much detail as you wish.

BILLS AFFECTING MUNICIPALITIES RECEIVING HEARINGS THIS WEEK

On Tuesday, the House Criminal Justice Committee heard testimony on House Bill 125, introduced by Representatives Hearcel Craig (D-Columbus) and Bill Seitz (R-Cincinnati). The bill would specify the jurisdiction of municipal and county courts over municipal traffic ordinances and would establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court. There were no witnesses to testify about this bill. An amendment from Rep. Seitz was accepted with objection. Seitz explained the amendment would prohibit townships with fewer than 50,000 from issuing photo enforcement tickets for violations on interstates.

The House Public Utilities Committee heard testimony on HB 133, which would create the Disaster Relief Act to exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster. The bill was introduced by Representative Scott Ryan (R-Newark). Rep. Ryan said, "HB 133 will amend the public services law, state law and tax law, in relation to thresholds for establishing presence, residency or doing business in the state for out-of-state employees and businesses that temporarily provide resources and personnel in the state

during a state of emergency. This expedites the often enormous and overwhelming task of cleaning up, restoring and repairing damaged buildings, equipment and property. HB 133 gives these businesses a greater ability to focus on quickly responding to the needs of the state and its citizens during an emergency."

The House State and Local Government Committee took sponsor testimony on Senate Bill 37, introduced by Senator 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. Sen. Hite reiterated his previous testimony that the bill is needed to adequately prepare police chiefs for their jobs and that the costs will be absorbed by the Attorney General.

HOUSE PASSES WORKERS COMPENSATION BILL

On Wednesday, the Ohio House passed the Worker's Compensation Budget (HB27), introduced by Representative Tom Brinkman (R-Cincinnati). The comparison document, which can be found [HERE](#), illustrates the changes made. The bill is now before the Ohio Senate

Among other changes, the substitute bill:

- Prohibits illegal and unauthorized aliens from receiving compensation and certain benefits and prohibits an employer from electing to cover those aliens.
- Adds working wage loss to the types of compensation or benefits a firefighter may receive under the presumption in the Workers' Compensation Law that a firefighter who is disabled due to cancer incurred the cancer while performing official duties as a firefighter.
- Retains current law with respect to testing for barbiturates, benzodiazepines, and methadone for purposes of continuing law's rebuttable presumption regarding drug testing.
- Prohibits a public employer from requiring an employee, prospective employee, or applicant for employment to pay the cost of a medical examination required by the public employer as a condition of employment or continued employment.
- Adjusts the minimum compensation for temporary total disability claims.
- Revises criteria for the dismissal of permanent partial disability applications without required medical examinations.
- Extends the time to appeal an Industrial Commission order from 60 days to 150 days, provided the claimant or employer has filed with the Administrator of Workers' Compensation a notice of intent to settle the claim.

The League and the Ohio Association of Professional Firefighters were able to come an agreement on language in the bill that addressed the outstanding issues that were source of opposition for our members. Part of it involved removing language that would preclude a firefighter from asserting a workers' compensation claim when it can be shown that the firefighter was not using his/her equipment properly. Another part places the burden on the employer relative to causation of cancer claims.

We would like to thank the OAPFF and Representatives Mike Henne and Tom Brinkman for all their work on this budget. They both invested extraordinary time and care into creating an agreement on this bill. We will now be urging the Senate to pass the bill with our agreement intact.

MUNICIPAL BILLS INTRODUCED THIS WEEK

HB219 SPEED LIMIT SIGN DISTANCES (BOCCIERI J) To specify that a speed limit becomes effective at a reasonable distance from the appropriate sign giving notice of the speed limit.

HB221 PRIVATE PROPERTY SEWER AND WATER (HOLMES G) To expressly include, as eligible projects under the State Capital Improvements Program administered by the Ohio Public Works Commission, water and sewer laterals located on private property

HB225 ABANDONED WELL REGULATION (THOMPSON A) To allow a landowner to report an idle and orphaned well or abandoned well, to require the Chief of the Division of Oil and Gas Resources Management to inspect and classify such a well, to require the Chief to begin plugging a well classified as distressed-high priority within a specified time period, and to authorize an income tax deduction for reimbursements paid by the state to a landowner for costs incurred to plug an idle or orphaned well.

HB226 FIREWORKS STUDY GROUP AND EXPANSION (SEITZ, B) (SWEENEY, M) To establish a fireworks study group to review and make recommendations regarding the Fireworks Law, to extend to July 1, 2020, the moratorium on issuing fireworks manufacturer and wholesaler licenses, to eliminate, beginning January 1, 2021, the moratorium on geographic transfer of fireworks manufacturer and wholesaler licenses, and, beginning July 1, 2020, to impose a fee on the retail sale of consumer grade fireworks in this state and to expand the ability of individuals to obtain 1.3G display fireworks and obtain and use 1.4G consumer fireworks.

COMMITTEE SCHEDULE FOR THE WEEK OF MAY 21, 2017

Monday, May 22, 2017

CONTROLLING BOARD

Mon., May. 22, 2017, 1:30 PM, North Hearing Room

Christine Morrison: 614-466-5721

Tuesday, May 23, 2017

HOUSE WAYS AND MEANS

Tue., May. 23, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

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.

Second Hearing, Proponent Testimony

HB177 TAX EXEMPTION-COMMUNITY GYMS (WEST T) To exempt memberships to gyms or other recreational facilities operated by charitable organizations from sales and use taxation.

First Hearing, Sponsor Testimony

HB216 USED VEHICLE TRADE-IN CREDIT (HAMBLEY S, BRINKMAN T) To authorize a sales and use tax trade-in credit for purchases of used motor vehicles from a licensed dealer.

First Hearing, Sponsor Testimony

SENATE FINANCE GENERAL GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE

Tue., May. 23, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. Jordan: 614-466-8086

Testimony from the following:

- Development Services Agency
- Ohio Consumers' Counsel
- Department of Rehabilitation and Correction

- Ohio Civil Rights Commission
- State Barber Board
- Ohio Commission on Hispanic and Latino Affairs
- Public testimony

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

Seventh Hearing, All Testimony

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

HOUSE STATE AND LOCAL GOVERNMENT

Tue., May. 23, 2017, 10:00 AM, Hearing Room 116

Rep. Anielski: 614-644-6041

HB146 CORONERS EDITING DEATH CERTIFICATES (HOUSEHOLDER L) To allow a coroner to change the cause, manner, and mode of death in a filed death certificate only after a hearing in the court of common pleas.

Second Hearing, All Testimony

HB168** CEMETERY MAINTENANCE AND REGISTRATION (STEIN D) To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

Third Hearing, All Testimony, POSSIBLE VOTE

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

HB207** TRAFFIC PHOTO RESTRICTION-EMERGENCY SERVICES (PATTON T) To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.

First Hearing, Sponsor Testimony

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

HB208** TRAFFIC PHOTO RESTRICTION-LOW POPULATION (PATTON T) To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photomonitoring devices.

First Hearing, Sponsor Testimony

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

HB209** TRAFFIC PHOTO RESTRICTION-TICKET LIMIT (PATTON T) To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.

First Hearing, Sponsor Testimony

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

HB210** TRAFFIC PHOTO RESTRICTION-REVENUE LIMIT (PATTON T) To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.

First Hearing, Sponsor Testimony

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

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, All Testimony

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

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

First Hearing, Sponsor Testimony

HOUSE RULES AND REFERENCE

Tue., May. 23, 2017, 10:30 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

SENATE RULES AND REFERENCE COMMITTEE

Tue., May. 23, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

OHIO SENATE

Tue., May. 23, 2017, 1:30 PM, Senate Chambers

CANCELLED

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR

Tue., May. 23, 2017, 1:30 PM, Hearing Room 017

Rep. Young: 614-644-6074

HB193

DISCRIMINATION PROTECTION-FLU VACCINE (HAGAN C) To prohibit an employer from taking an adverse employment action against a person who has not been or will not be vaccinated against influenza.

First Hearing, Sponsor Testimony

HB211**

OHIO HOME INSPECTOR BOARD (HUGHES J) To require the licensure of home inspectors and to create the Ohio Home Inspector Board to regulate the licensure and performance of home inspectors.

First Hearing, Sponsor Testimony

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

HB128**

BUILDING INSPECTION REGULATIONS (ROEGNER K) To 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.

Third Hearing, Opponent Testimony

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

HOUSE ENERGY AND NATURAL RESOURCES

Tue., May. 23, 2017, 2:30 PM, Hearing Room 122

Rep. Landis: 614-466-8035

SB2**

ENVIRONMENTAL PROTECTIONS LAWS (HITE C) To revise specified laws relating to environmental protection.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

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

HR115

EXTEND FEDERAL CARBON CAPTURE TAX CREDITS (CERA J) To urge the Congress of the United States to enact, and the President of the United States to sign, legislation to extend and expand the current federal tax credit for carbon capture, utilization, and storage, and to urge the Congress to support other policies relating to energy generation and protecting the environment.

First Hearing, Sponsor Testimony

HOUSE EDUCATION AND CAREER READINESS

Tue., May. 23, 2017, 4:00 PM, Hearing Room 121

Rep. Brenner: 614-644-6711

HB37

SCHOOL SAFETY-STRUCTURES (ARNDT S) To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security.

Second Hearing, Proponent Testimony, SUBSTITUTE BILL

HB181

ACADEMIC ASSESSMENT STANDARDS (HOOD R, BRINKMAN T) With regard to the state academic content standards and primary and secondary education assessments.

First Hearing, Sponsor Testimony

HB170

COMPUTER SCIENCE EDUCATION (CARFAGNA R, DUFFEY M) With regard to academic content standards and curriculum requirements for computer science; to revise educator qualifications regarding computer science; to create a competitive technology grant program for the 2018-2019 school year; and to make an appropriation.

Third Hearing, All Testimony, SUBSTITUTE BILL

HOUSE FEDERALISM AND INTERSTATE RELATIONS

Tue., May. 23, 2017, 4:00 PM, Hearing Room 115

Rep. Roegner: 614-466-1177

HB201

CONCEALED HANDGUN REGULATIONS (HOOD R, BRINKMAN T) To allow a concealed handgun licensee to carry concealed all firearms other than dangerous ordnance or firearms prohibited by state or federal law; to repeal the requirement that a licensee

stopped for a law enforcement purpose promptly inform an approaching officer if the licensee is carrying a firearm and provide for expungement of convictions based on a violation of the requirement; and to provide that a person age 21 or older and not prohibited by federal law from possessing or receiving a firearm does not need a concealed handgun license in order to carry a concealed firearm and is subject to the same laws regarding concealed firearm carrying as a licensee.

Second Hearing, Proponent Testimony

HB142** NOTIFYING POLICE OF CONCEALED CARRY (WIGGAM S) To eliminate the requirement that a concealed handgun licensee notify a law enforcement officer that the licensee is carrying a concealed handgun when stopped.

Third Hearing, All Testimony

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

HCR9 CLAUDIA HOERIG EXTRADITION (HOLMES G) To urge the President of the United States, the United States Secretary of State, and the Congress of the United States to compel Brazil to extradite Claudia Hoerig to stand trial for the aggravated murder of her husband, Major Karl Hoerig, and to request that the United States terminate foreign aid payments to Brazil if Claudia Hoerig is not extradited.

First Hearing, Sponsor Testimony

Wednesday, May 24, 2017

SENATE FINANCE HEALTH AND MEDICAID SUBCOMMITTEE

Wed., May. 24, 2017, 10:00 AM, North Hearing Room

Sen. Hackett: 614-466-3780

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

Ninth Hearing, All Testimony

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

SENATE RULES AND REFERENCE COMMITTEE

Wed., May. 24, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO SENATE

Wed., May. 24, 2017, 1:30 PM, Senate Chambers

OHIO HOUSE

Wed., May. 24, 2017, 1:30 PM, House Chambers

HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY

Wed., May. 24, 2017, 4:00 PM, Hearing Room 116

Rep. Johnson: 614-466-2124

HB202 DAY DESIGNATION-VETERANS SUICIDE AWARENESS (THOMPSON A) To designate the first Saturday of May as "Veterans Suicide Awareness Day."

Second Hearing, All Testimony, POSSIBLE VOTE

HB192 VETERANS SERVICE COMMISSIONERS (MILLER A, ANIELSKI M) To permit county veterans service commissions to elect to add two members to the commission, one who is a veteran who served in Operation Enduring Freedom or Operation Iraqi Freedom, or subsequently in those theaters of operation, and one who is a military spouse.

First Hearing, Sponsor Testimony

HB158 UNEMPLOYMENT COMPENSATION-MILITARY TRANSFERS (PERALES R, CRAIG H) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.

Second Hearing, All Testimony

HB183 AVIATION HALL OF FAME (PERALES R) To establish the Governing Board of the Ohio Aviation Hall of Fame and Learning Center for purposes of establishing the Hall and inducting persons into it.

Second Hearing, All Testimony



Legislative Bulletin

May 12, 2017

This week the Senate spent most of their time engaged in dozens of hearings from state agencies about their budget requests, most of which was a repeat of their requests made in the House. The Ohio Office of Budget and Management testified that revenues continue to be lower than expected and that overall budget cuts are needed. In last week's bulletin, we covered the shortfalls in state revenue collections. That information is available on the League website. Meanwhile, the House is making up for lost time by holding many hearings on bills that were delayed due to budget deliberations.

OML LAUNCHES NEW WEBSITE

After about a year's worth of dreaming, designing and construction, the staff of the Ohio Municipal League is happy to announce the launch of the new League website!

If you have not been to our website, www.omlohio.org, we can now proudly encourage all of our members to visit the site and take a minute to navigate through the different platforms available. We've stocked the site full of important information that is timely and relevant to Ohio cities and villages.

The development of the newly-designed website was among the first priorities last March, when the leadership transition occurred at the League. League staff spent a great deal of time assembling the new lay-out and participated in several days of training to learn all of the features of the fully functional site.

The new website will allow League members and visitors to register and pay for League conferences and seminars in one location; website content will be fully searchable to provide greater ease in locating information; members can sign up to receive notifications about programs or issues related to legislation impacting municipalities from the state and federal government; and it will provide greater access to our service corporation partners and new programs along with much more.

We want to thank our members as they have been patiently waiting for a rebuild of the website. We hope that this new feature will act as a great resource for Ohio's municipal leaders and will provide greater opportunities to learn about the League and the issues facing Ohio's cities and villages.

HOUSE COMMITTEE HEARS TESTIMONY ON PREVAILING WAGE BILL

On Tuesday, the House Economic Development, Commerce and Labor Committee heard testimony on House Bill 163, legislation introduced by Representatives Kristina Roegner (R-Hudson) and Craig Reidel (R-Defiance). The bill would allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects. Tuesday's hearing was for sponsor testimony only where the sponsors testified that the bill is a companion bill to a Senate version, Senate Bill 72, introduced by Senator Matt Huffman (R-Lima). Additionally, the members testified about their perspective on economic advantages of the bill has the potential to bring and how it would put Ohio in a similar position to 20 other states that do not have prevailing wage requirements.

The League has spoken with the sponsors of the bill to ensure that the proposal would remain permissive and would be another local option for communities interested in the opportunity presented through the legislation. For this reason, the League supports the legislation. The bill is not up for a hearing next week but we expect the committee to continue to explore the proposal. If any League members are interested in testifying on this bill, please contact OML Director of Communications, Josh Brown at (614) 284-4394 or jbrown@omloho.org.

HOUSE COMMITTEE TAKES ACTION ON LEVY REIMBURSEMENT AND PIPING BILL

Also on Tuesday, the House State and Local Government Committee dealt with two bills that affect municipalities. First, the Committee passed House Bill 69, introduced by Representative Bob Cupp (R-Lima) which 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. An amendment was added that specifies the effective date and simplifies that preexisting agreements stay in effect.

Secondly, the Committee heard opponent testimony on House Bill 121, which was introduced by Representative Jay Edwards (R-Nelsonville) which would require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. The League submitted opponent testimony because the bill would limit the authority of municipalities in creating their bidding rules and would potentially expose them to unnecessary additional liability. A copy of the League's testimony can be found [HERE](#). There was extensive opponent testimony, coming from representatives of engineers associations, private companies and local jurisdictions.

Most of the opponent testimony emphasized the ethical duties of engineers to consider all materials and the local control problems with the bill. The League's testimony stressed the importance of allowing local jurisdictions to make their own rules regarding bidding. We do not think that the General Assembly should attempt to govern this process any further than it already has. Further, this legislation, in the context of municipalities, is likely another violation of the Home Rule authority of municipalities, because bidding for local projects is an entirely local function.

The League will continue to keep our members aware of future hearings on the legislation and opportunities for municipal officials to testify.

"URBAN FARMING" BILL RECEIVES HEARING

The House Agricultural and Rural Development Committee took sponsor testimony Wednesday on House Bill 175, introduced by Representative Tom Brinkman (R-Mt. Lookout), that would preempt local zoning efforts by allowing an owner of residential property to keep, harbor, breed, or maintain small livestock on the property, and to prohibit zoning authorities from regulating certain agricultural activities conducted on residential property for noncommercial purposes.

Representative Brinkman testified that the reason for the bill is about "food security, food scarcity, and food freedom" and that these are issues in every part of Ohio.

Many Committee members expressed reservations about preempting local authority over this type of activity and the practical application and enforcement of the concept. The sponsor shared with Committee members that he is willing to have conversations to better development the bill. The League shares concerns expressed by some of the Committee members and is opposed to the legislation.

WORKERS COMPENSATION BUDGET SUB-BILL ACCEPTED

On Wednesday, the House Insurance Committee accepted a sub-bill version of HB 28, the Workers Compensation Budget bill with many significant amendments. The bill, sponsored by Rep. and Committee Chairman Tom Brinkman (R-Mt. Lookout) who is also Chairman of the Insurance Committee was scheduled for a vote this week but required additional fine-tuning before being considered for passage. We expect the bill will be moved out of the Committee next week, where it will then go to the House Finance Committee for that bodies review. The League appreciates the time and working relationship we have had with the Chairman and other members of the Committee, as we continue to discuss issues of importance in the bill and issues we request to be changed.

A full comparison document of the new version of the bill is available [HERE](#).

The amendments that were made Wednesday include:

- Adds the following to the list of circumstances under which the presumption that a firefighter's cancer was incurred while performing official firefighter duties may be rebutted: Evidence that the firefighter failed to use or improperly used protective equipment while performing official duties, unless the firefighter was instructed to do so by the firefighter's employer or supervisor, or employer failed to make the equipment available to the firefighter.
- Adds a provision specifying that this presumption does not apply if it has been more than 15 years (instead of 20 years as under current law) since the firefighter was last assigned to hazardous duty as a firefighter.
- Adds a provision that includes working wage loss (WWL) in the types of compensation or benefits a firefighter may receive under the presumption in workers' compensation law that a firefighter who is disabled due to cancer incurred the cancer while performing official duties as a firefighter.
- Adds a provision specifying that the addition of possible WWL benefits applies to any claim pending or filed on or after the effective date of the provision.
- Adds a provision decreasing the time a person has to initiate a workers' compensation claim, based on an employee's injury or death, from two years under current law to one year after the employee sustains the injury or dies.
- Adds a prohibition against illegal and unauthorized aliens' receiving compensation and other benefits and against an employer's electing to cover those aliens.
- - Adds a provision barring agency rulemaking or any other quasi-legislative or quasi-judicial action with a "substantive or procedural retrospective effect" unless the General Assembly expressly authorizes the action.
- Adds a requirement that a claimant certify that the claimant or deceased employee who is the subject of the claim was an eligible "employee" under workers' compensation law.
- Adds a provision granting an employer immunity from liability for damages suffered by reason of personal injury sustained or occupational disease contracted in the course of employment caused by the employer's wrongful act or omission or neglect, unless the claimant proves, by clear and convincing evidence, that the employer employed the individual knowing that the individual was not authorized to work under federal law.
- Adds a provision maintaining employer liability for intentional torts.
- Adds a provision creating an irrebuttable presumption that an illegal or unauthorized alien assumed the risk of incurring an injury or contracting an occupational disease at the workplace, or dying as a result of such an injury or occupational disease, when performing services or providing labor for an employer.
- Adds a provision stating that, unless a claimant can prove by clear and convincing evidence that an employer employed an individual knowing that the individual was not authorized to work under federal law, no court has jurisdiction over a claim for damages suffered by an illegal or unauthorized alien by reason of personal injury sustained or occupational disease contracted by the illegal or unauthorized alien in the course of employment caused by the employer's wrongful act or omission of neglect.
- Adds a provision barring an employer from asserting the fellow servant rule, assumption of risk or contributory negligence to defend against a claim for damages permitted under this provision.
- Adds a provision creating a rebuttable presumption that an employer did not knowingly hire an illegal or unauthorized alien if the employer complied with federal law.

- Adds a provision barring a public employer from requiring an employee, prospective employee or applicant for employment to pay the cost of a medical examination required by the public employer as a condition of employment or continued employment.
- Adds a provision requiring the administrator of workers' compensation, in consultation with the Health Care Quality Assurance Advisory Committee, to develop and periodically revise standards for maintaining adequate numbers of certified health care providers for services used by workers' compensation claimants.
- Adds a provision specifying that such standards ensure (1) claimants have access to a choice of providers for similar services within the geographic area that the claimant resides, and (2) providers within a geographic area are actively accepting new claimants as required in rules adopted by the administrator.
- Adds a provision eliminating the following information from actuarial reports required under current law on proposed workers' compensation legislation: (1) a description of the participant group or groups included in the report; (2) the percent of premium increase that would be required to amortize the increase in actuarial accrued liabilities as a level percent of employer premiums over a period not to exceed 30 years; and (3) a statement of whether employer premiums paid to BWC after enactment of legislation are expected to satisfy funding objectives established by the board.
- Restores current law on testing for barbiturates, benzodiazepines and methadone for the purposes of continuing law's rebuttable presumption concerning drug testing.
- Retains executive language on minimum compensation for temporary total disability (TTD) claims, except for the following changes: (1) requires the initial TTD compensation to be set at 33 1/3 percent of the statewide average weekly wage rather than the minimum amount calculable under workers' compensation law, and (2) uses only a claimant's full weekly wage information rather than full or average weekly wage information to determine whether the initial TTD compensation amount set at 33 1/3 percent of the statewide average weekly wage results in any necessary subsequent payment adjustments.
- Retains executive language on dismissal of permanent partial disability (PPD) applications without required medical examination, except for also requiring the administrator to adopt rules addressing the way an employee is to be notified of a possible dismissal and how the employee may re-file an application for PPD.
- Adds a provision increasing the attorney's fees a workers' compensation claimant can recover in an appeal to a court of common pleas from \$4,200 undercurrent law to \$5,000.
- Adds a provision extending the time to appeal an Industrial Commission order from 60 days to 150 days, provided the claimant or employer has filed with the workers' compensation administrator a notice of intent to settle the claim.
- Adds a provision requiring the notice of intent to settle the claim to be filed within 30 days after the date of the Industrial Commission order for the extension to apply.
- Adds a provision setting the time during which a party who objects to the notice of intent to settle may file an objection to 14 days after receipt of the notice of intent to settle.
- Adds a provision extending from 14 days to 30 days the time in which the following must occur: (1) a professional employer organization (PEO) submits a lease termination notice form to the administrator of workers' compensation and to each client employer of the PEO; and (2) a self-insuring PEO submits to the administrator information needed to develop an experience modification factor for employers subject to a PEO lease termination.

RETIREMENT STUDY COUNCIL REVIEWS PERFORMANCE

On Thursday the Ohio Retirement Study Council met to hear testimony from RVK Inc., which did a report about the performance the state's five pension systems. The report shows the systems are in line with or exceeding their benchmarks, with School Employees Retirement System (SERS) seeing the greatest improvement at returns of 8.1 percent versus a benchmark of 6.7 percent. State Teachers Retirement System (STRS) exceeded its benchmark, 8.2 percent versus 8 percent, as did Ohio Police and Fire Pension Fund. 11.5 percent versus 11.4 percent. Ohio Public Employees Retirement System (OPERS) and Highway Patrol Retirement System (HPRS) matched their respective benchmarks of 8.6 percent and 7.3 percent. Currently, all the systems are ahead of schedule in terms of their projected rates of return.

A copy of the study is available [HERE](#)

Testimony was also taken about a fiduciary audit of SERS from Funston Advisory Services. Testimony indicated that the systems are one of the only ones in the U.S. that are allowed to have their funds held in banks, as custodians. However, the systems are also interested in choosing their own banks, rather than the current system, which has the State Treasurer choosing them. There was also criticism of investments made that involve Iran and Sudan.

Testimony from STRS Executive Director Michael Nehf included commentary about the system's 2 percent annual cost-of-living adjustments, which will be effective in July. He said that this adjustment was needed because the system's rate of return projections have been lowered and actuarial assumption had to be updated for longer lifespans of members. Members of the Committee questioned the necessity of the adjustments and are considering legislative alternatives.

BILLS INTRODUCED AFFECTING MUNICIPALITIES

HB207 TRAFFIC PHOTO RESTRICTION-EMERGENCY SERVICES (PATTON T) To prohibit a municipal corporation or township that does not operate either a fire department or an emergency medical services organization from utilizing traffic law photo-monitoring devices.

HB208 TRAFFIC PHOTO RESTRICTION-LOW POPULATION (PATTON T) To prohibit a local authority with a population of 200 or fewer from utilizing traffic law photomonitoring devices.

HB209 TRAFFIC PHOTO RESTRICTION-TICKET LIMIT (PATTON T) To prohibit a local authority, in any year, from issuing a total number of traffic tickets based on the use of traffic law photo-monitoring devices that exceeds two times the population of the local authority.

HB210 TRAFFIC PHOTO RESTRICTION-REVENUE LIMIT (PATTON T) To prohibit a local authority from deriving more than 30 per cent of the total annual revenue of the local authority from the issuance of tickets for traffic law violations based on evidence recorded by traffic law photo-monitoring devices.

COMMITTEE SCHEDULE FOR THE WEEK OF MAY 14, 2017

Tuesday, May 16, 2017

HOUSE INSURANCE

Tue., May. 16, 2017, 9:00 AM, Hearing Room 116

Rep. Brinkman: 614-644-6886

HB27** **WORKERS' COMPENSATION BUDGET (BRINKMAN T)** 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.

Seventh Hearing, All Testimony, AMENDMENTS/SUBSTITUTE BILL/POSSIBLE VOTE

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

HOUSE WAYS AND MEANS

Tue., May. 16, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

HB155 **VEHICLE TRAINING TAX CREDIT (SPRAGUE R, HOWSE S)** To authorize a tax credit for expenses incurred by an employer to train a commercial vehicle operator.

First Hearing, Sponsor Testimony

HB186

COLLEGE TAX DEDUCTION (ROGERS J, SCHERER G) To enact the "Blair Deduction" to allow an individual obtaining a postsecondary degree or credential from an eligible educational institution to claim an income tax deduction for qualified higher education expenses.

First Hearing, Sponsor Testimony

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.

Second Hearing, Proponent Testimony

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

SENATE EDUCATION

Tue., May. 16, 2017, 11:00 AM, South Hearing Room

Sen. Lehner: 614-466-4538

Governor's appointments:

- Dennis Bartels and Srikanth Gaddam to the State Board of Career Colleges and Schools.

SB8

SCHOOL INFRASTRUCTURE AND TECHNOLOGY (GARDNER R, TERHAR L) To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HOUSE RULES AND REFERENCE

Tue., May. 16, 2017, 11:30 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

HOUSE ECONOMIC DEVELOPMENT, COMMERCE AND LABOR

Tue., May. 16, 2017, 1:30 PM, Hearing Room 113

Rep. Young: 614-644-6074

HB164** ROOFING CONTRACTORS LICENSURE (PATTON T) To require commercial roofing contractors to have a license.

First Hearing, Sponsor Testimony

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

HB77

SICK-CHILD CARE LICENSURE (RETFERFORD W) To provide for the licensure of sick-child care centers.

Second Hearing, Proponent Testimony

HB128**

BUILDING INSPECTION REGULATIONS (ROEGNER K) To 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.

Second Hearing, Proponent Testimony

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

HOUSE ENERGY AND NATURAL RESOURCES

Tue., May. 16, 2017, 2:30 PM, Hearing Room 122

Rep. Landis: 614-466-8035

SB2**

ENVIRONMENTAL PROTECTIONS LAWS (HITE C) To revise specified laws relating to environmental protection.

Third Hearing, All Testimony

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

HOUSE FINANCE

Tue., May. 16, 2017, 3:00 PM, Hearing Room 313

Rep. Smith: 614-466-1366

HB27** WORKERS' COMPENSATION BUDGET (BRINKMAN T) 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.

First Hearing, Sponsor Testimony, PENDING REFERRAL/POSSIBLE VOTE

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

HOUSE PUBLIC UTILITIES

Tue., May. 16, 2017, 3:00 PM, Hearing Room 116

Rep. Seitz: 614-466-8258

HB133 DISASTER RELIEF ACT (RYAN S) To create the Disaster Relief Act to exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster.

First Hearing, Sponsor Testimony

HB143 ELECTRIC DISTRIBUTION COMPANY DEFINITION (SPRAGUE R) To clarify the definition of "electric distribution company" for kilowatt-hour tax purposes.

First Hearing, Sponsor Testimony

HB178** ZERO-EMISSIONS NUCLEAR PROGRAM (DEVITIS A) Regarding the zero-emissions nuclear resource program.

Third Hearing, All Testimony

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

HOUSE EDUCATION AND CAREER READINESS

Tue., May. 16, 2017, 4:00 PM, Hearing Room 121

Rep. Brenner: 614-644-6711

HB170 COMPUTER SCIENCE EDUCATION (CARFAGNA R, DUFFEY M) With regard to academic content standards and curriculum requirements for computer science; to revise educator qualifications regarding computer science; to create a competitive technology grant program for the 2018-2019 school year; and to make an appropriation.

Second Hearing, All Testimony

HB200 OPPORTUNITY SCHOLARSHIP PROGRAM CREATION (KOEHLER K) To eliminate the Educational Choice Scholarship Pilot Program and Pilot Project Scholarship Program and to create the Opportunity Scholarship Program.

First Hearing, Sponsor Testimony

HB176 SCHOOL ASSESSMENTS (THOMPSON A) With regard to state achievement assessments, statewide academic content standards and model curricula, and teacher and administrator evaluations.

First Hearing, Sponsor Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS

Tue., May. 16, 2017, 4:00 PM, Hearing Room 115

Rep. Roegner: 614-466-1177

HB142** NOTIFYING POLICE OF CONCEALED CARRY (WIGGAM S) To eliminate the requirement that a concealed handgun licensee notify a law enforcement officer that the licensee is carrying a concealed handgun when stopped.

Second Hearing, Proponent Testimony

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

HB201 CONCEALED HANDGUN REGULATIONS (HOOD R, BRINKMAN T) To allow a concealed handgun licensee to carry concealed all firearms other than dangerous ordnance or firearms prohibited by state or federal law; to repeal the requirement that a licensee stopped for a law enforcement purpose promptly inform an approaching officer if the licensee is carrying a firearm and provide for expungement of convictions based on a violation of the requirement; and to provide that a person age 21 or older and not prohibited by federal law from possessing or receiving a firearm does not need a concealed handgun license in order to carry a concealed firearm and is subject to the same laws regarding concealed firearm carrying as a licensee.

First Hearing, Sponsor Testimony

HCR8 SUPPORT MINERS PROTECTION ACT (CERA J) To urge the Congress of the United States to enact the Miners Protection Act of 2017.

First Hearing, Sponsor Testimony

HR85 FEDERAL ENVIRONMENTAL OVERHAUL (YOUNG R) To respectfully urge Congress and President Donald Trump to amend the Federal Clean Air Act to eliminate the requirement to implement the E-Check Program and direct the

Administrator of USEPA to begin new rulemaking procedures under the Administrative Procedures Act to repeal and replace the 2015 National Ambient Air Quality Standards; to respectfully urge Congress and President Donald Trump to pass legislation to achieve improvements in air quality more efficiently while allowing companies to innovate and help the economy grow; to urge the Administrator of USEPA to alleviate burdensome requirements of the E-Check Program and the Clean Air Act if Congress and the President fail to act; and to encourage OEPA to explore alternatives to ECheck in Ohio.

First Hearing, All Testimony, POSSIBLE VOTE

Wednesday, May 17, 2017

HOUSE HEALTH

Wed., May. 17, 2017, 9:00 AM, Hearing Room 121

Rep. Huffman: 614-4668114

HB167 PHYSICIANS AND DENTISTS-OPIOIDS (EDWARDS J) Regarding addiction treatment and opioid prescribing by physicians and dentists.

First Hearing, Sponsor Testimony

HB196 MONTH DESIGNATION-CHIROPRACTIC AWARENESS (LIPPS S) To designate October as "Ohio Chiropractic Awareness Month."

First Hearing, Sponsor/All Testimony, POSSIBLE VOTE

HB184 AUTHORIZE TELEDENTISTRY SERVICES (GAVARONE T, DEVITIS A) To authorize the provision of dental services through teledentistry, to require a proposal for creation of a primary care dental student component of the Choose Ohio First Scholarship Program, and to make other changes to the laws governing the practices of dentistry and dental hygiene.

First Hearing, Sponsor Testimony

HOUSE TRANSPORTATION AND PUBLIC SAFETY

Wed., May. 17, 2017, 9:00 AM, Hearing Room 017

Rep. Green: 614-644-6034

HB60 DRIVER'S LICENSES-INTERNATIONAL (HAMBLEY S, ROGERS J) To authorize the issuance of an enhanced driver's license, enhanced commercial driver's license, and enhanced identification card to facilitate land and sea border crossings between the United States and Canada and Mexico, pursuant to an agreement with the United States Department of Homeland Security.

Fourth Hearing, Interested Party, POSSIBLE VOTE

HB95 DISTRACTED DRIVING PENALTY (HUGHES J, SEITZ B) To establish an enhanced penalty for committing a moving violation while distracted if the distraction is the apparent cause of the violation and to reenact provisions of law that specified that certain electronic wireless communications device violations were allied offenses of similar import.

Fourth Hearing, Interested Party, POSSIBLE VOTE

HB150 LICENSE PLATE CREATION (PATMON B) To create a special license plate for hearing-impaired individuals.

First Hearing, Sponsor Testimony

HB159 MONTH DESIGNATION-DRIVE OHIO BYWAYS (RIEDEL C) To designate May as "Drive Ohio Byways Month."

First Hearing, Sponsor Testimony

HB188 SPECIALTY KIT REAR LICENSE PLATE (HENNE M) To authorize the owner or operator of a specialty kit car to display a license plate only on the rear of the car if the owner or operator pays a \$150 fee.

First Hearing, Sponsor Testimony

HB194 LICENSE PLATE-MILITARY SERVICE (JOHNSON T, CRAIG H) To establish a program for the issuance of special license plates related to military service and awards.

First Hearing, Sponsor Testimony

HB195 TRANSPORTING DISABLED PERSONS (INGRAM C, SEITZ B) To modify the provisions concerning the transport of persons who require the use of a wheelchair or other mobility aid in nonemergency circumstances.

First Hearing, Sponsor Testimony

SENATE WAYS AND MEANS

Wed., May. 17, 2017, 9:00 AM, South Hearing Room

Sen. Eklund: 614-644-7718

SB131 EMPLOYEE COMPENSATION-TAX CREDITS (DOLAN M) To provide that compensation paid to certain home-based employees may be counted for purposes of an employer qualifying for and complying with the terms of a Job Creation Tax Credit.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HOUSE AGING AND LONG TERM CARE

Wed., May. 17, 2017, 10:00 AM, Hearing Room 116

Rep. Arndt: 614-644-6011

Presentations from Ohio Association of Area Agencies on Aging and Leading Age Ohio.

SENATE RULES AND REFERENCE COMMITTEE

Wed., May. 17, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO HOUSE

Wed., May. 17, 2017, 1:30 PM, House Chambers

OHIO SENATE

Wed., May. 17, 2017, 1:30 PM, Senate Chambers

HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY

Wed., May. 17, 2017, 4:00 PM, Hearing Room 116

Rep. Johnson: 614-466-2124

OR AFTER SESSION

HB158 UNEMPLOYMENT COMPENSATION-MILITARY TRANSFERS (PERALES R, CRAIG H) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.

First Hearing, Sponsor/Proponent Testimony

HB183 AVIATION HALL OF FAME (PERALES R) To establish the Governing Board of the Ohio Aviation Hall of Fame and Learning Center for purposes of establishing the Hall and inducting persons into it.

First Hearing, Sponsor/Proponent Testimony

HB192 VETERANS SERVICE COMMISSIONERS (MILLER A, ANIELSKI M) To permit county veterans service commissions to elect to add two members to the commission, one who is a veteran who served in Operation Enduring Freedom or Operation Iraqi Freedom, or subsequently in those theaters of operation, and one who is a military spouse.

First Hearing, Sponsor Testimony

HB202 DAY DESIGNATION-VETERANS SUICIDE AWARENESS (THOMPSON A) To designate the first Saturday of May as "Veterans Suicide Awareness Day."

First Hearing, Sponsor Testimony

Thursday, May 18, 2017

SENATE PUBLIC UTILITIES

Thu., May. 18, 2017, 9:00 AM, Senate Finance Hearing Room

Sen. Beagle: 614-466-6247

SB128** ZERO-EMISSION NUCLEAR PROGRAM (EKLUND J, LAROSE F) Regarding the zero-emissions nuclear resource program.

Second Hearing, Proponent Testimony

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

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE
COMMITTEE SCHEDULE**



Legislative Bulletin

May 5, 2017

This week the Ohio legislature largely focused on Sub. HB49, the state operating budget bill. The House of Representatives passing the measure Tuesday by a bi-partisan vote, sending it on to the Senate for their review. As we have reported, the Senate had already begun hearings on the two year plan and continued the unpacking of the items sent to them this week through various committees. There are no Senate Finance committee hearings next week but subcommittees will continue to focus on specific issues and areas of state concern. League staff spent the week meeting with members of the Ohio Senate to communicate challenges brought to them for some of their municipalities and to support the areas that we believe the House got the policy correct.

HOUSE PASSES BUDGET BILL

On Tuesday the Ohio House of Representatives passed its proposed FY 18-19 budget, House Bill 49 (R-Smith) sending the bill to the Ohio Senate for its consideration. The bill passed 58-37. Reps. John Patterson (D-Jefferson), John Rogers (D-Mentor-on-the-Lake) and Martin Sweeney (D-Cleveland) joining most Republicans in support of the budget. Reps. John Becker (R-Cincinnati), Bill Dean (R-Xenia), Keith Faber (R-Celina), Wes Goodman (R-Cardington), Christina Hagan (R-Alliance), Ron Hood (R-Ashville), Jim Hughes (R-Upper Arlington), Candice Keller (R-Middletown), Kristina Roegner (R-Hudson), Nino Vitale (R-Urban) and Paul Zeltwanger (R-Mason) joined most Democrats in voting against the legislation.

While the budget was being considered in House committees, Governor Kasich's office announced that revenue predictions needed to be lowered about \$800 million over the biennium or about \$400 million per year. Ohio Office of Budget and Management Director Tim Keen testified this week that the administration still believes those numbers are an accurate assessment going forward.

One alarming trend that is significantly influencing budget conversations at the Statehouse are the continued underperformance of state tax revenues and the continued collection shortfalls. April sales tax revenue collections came in \$47.5 million below estimates and are behind year-to-date projections by \$208.4 million. Even more alarming for legislative leaders, state income tax collections for the previous month missed projections by -12% and were \$106.7 million less than planned, lagging expectations by -8.1% or \$554 million less year to date with two months remaining in the 2017 fiscal calendar. Justifications for the underperformance of these projections are generally related in conversation to the small business income tax cut enacted in the previous state operating budget.

The League is currently combing through the substitute version of the state operating budget in detail. However, there are a few items that we can report on today.

First, the provisions that would have centralized collection of the municipal income tax have been taken out of the budget, as previously reported via previous bulletins.

Meanwhile, provisions that would essentially eliminate the "throwback" rule remain. The actual language as it appears in the bill for these two municipal tax items can be found (OBG) [HERE](#) & (Throwback) [HERE](#) . The League remains opposed to the new "throwback" rule change that essentially creates a situation where there is "nexus to nowhere" for the application of the tax to any municipality unless shipments are made within the incorporated area or an employee of the shipper is located at the shipment destination. This translates to significant

revenue loss for municipalities across Ohio that have warehouse, distribution facilities, fulfillment centers or basically any commerce whose business model includes shipping purchased products (tangible personal property) to a consumer. It is imperative that municipal leaders concerned about the repeal of this provision and the ensuing revenue loss further challenging the delivery of services to identify in their local tax collections how much revenue will be lost and communicate that concern through Resolutions or direct contact to members of the Ohio Senate. This repeal, proposed by the state legislature, will only impact municipal revenues, no state dollars will be lost to this further tax cut for Ohio business interests. Please also communicate with your legislative delegation if you have had any conversations with business owners in your communities who have complained about the application of the "throwback" rule. This will reinforce what legislators are telling league staff; that they have never heard a business leader identify this tax component as a hurdle to their operations' success in Ohio.

Another amendment added by the House that we want to highlight for our members is the creation of the STARS-II program. The language, which we support, will create another STARS-like investment program to allow local governments with "excess reserves" to access longer-term investments. For political subdivisions, excess reserves are the amount of the subdivision's public money that exceeds the subdivision's average annual operating expense, defined as the average of that subdivision's operating expenses for the previous 3 years.

Currently, political subdivisions - from municipalities to school districts - can utilize the State Treasury Asset Reserve of Ohio ["STAR Ohio"] program to invest their excess cash in a highly-rated public investment pool. STAR Ohio is a liquid money market account constructed for short-term investments that was established and is managed by the State Treasurer.

This amendment would allow the State Treasurer to set up and manage a new investment fund for political subdivisions to make longer-term investments with their excess reserves, using the state's current investment authority, including highly-rated debt. For subdivisions with excess reserves, this program will allow the State Treasurer to use the state's full investment authority to deliver higher investment returns than currently available. This Amendment is supported by both the Ohio Treasurer's office and the Ohio Auditor's office as well.

A full comparison document can be accessed here:

<http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/comparedoc-hb49-hp.pdf>

Here are several points in the budget that we support:

- Discards proposed changes to the distribution of the Local Government Fund
- Allows a county with a population between 300,000 and 350,000 that levies a 3% lodging tax (Lorain) to increase the municipal lodging tax up to an additional 3%.
- Provides a \$300,000 capital appropriation for the purchase of MARCS radios.
- Continues the ability for a county or municipality to enter into an enterprise zone agreement after October 15, 2017.
- Authorizes a county or municipal government to extend a pre-1994 CRA without triggering the laws enacted in 1994.
- Clarifies that public officials are allowed to accept registration fees, travel expenses, and meals during a meeting or convention of a national, state, and regional organizations that a government body pays dues to. This amendment corrects a misinterpretation of the ethics law by the Ohio Ethics Commission in an informal advisory opinion.
- Earmarks \$150,000 in FY'18 in the 800-635, Small Government Fire Departments, for equipment related to a fire training center that received capital appropriation in S.B. 310 from the 131st GA.
- Compels Hamilton County to distribute the proceeds of its hotel and lodging tax above \$6 M per year to the township or municipality of origin on a proportional basis.
- Elevates the threshold for competitive bidding for port authorities to \$250,000.
- Adds cyber-training to the list of permissible activities the AOS can provide to local governments.

Budget items included in the House substitute HB49 that the League opposes and are working with members of the Ohio Senate to change:

- Maintains language in the bill regarding the repeal of the throwback rule, but maintains the current apportionment of sales to a municipality
- Lowers the threshold for signatures required to dissolve a village from 40% of electors to 30%.
- Language which would withhold Local Government Funds (LGF) payments in regards to restrictive conditions placed upon the distribution agreements of water and sewer services to regional political subdivisions. The language exclusively impacts a municipality with a population greater than 700,000.
- Language that provides exclusive authority to the Ohio Department of Health to conduct lead-abatement programs, preempting existing municipal programs to detect, enforce and order abatement of poisonous lead based exposures in rental properties.

Budget items the League is neutral on and/or are being reviewed to determine impact to municipalities:

- Creates the DataOhio program. This is consistent with legislation that the League worked out with Representative Mike Duffey (R-Worthington) in the last General Assembly.
- Deletes the fee related to filing municipal income tax returns through the Ohio Business Gateway
- Expands the class of permanent improvements a tourism development district (TDD) may use revenue for. Clarifies money can only be spent inside the TDD area. Requires lodging taxes inside the TDD to be used to promote tourism in the TDD only if approved by the convention and visitor's bureau.
- Eliminates the Constitutional Modernization Commission on July 1, 2017.
- Directs the Governor to create Clean Water Central Ohio to oversee waste treatment planning in Franklin and parts of surrounding counties.
- Sanctions a probate court to do the following in regards to a park district created by an order of the court: 1) issue an order preventing interference with the court's order creating the district, 2) enforcing the court's order creating the district, 3) issuing an order compelling compliance with the laws, 4) investigating matters involving the park district, 5) Impose duties and restrictions on a person or party who interferes with the park district's purposes 6) tax the cost of proceedings as court costs.
- Exempts property conveyed to a development corporation that is unoccupied and once owned by the federal government from local property taxes
- Mandates a political subdivision pay owners fees when the subdivision appeals a property tax assessment case and loses.
- Adds two new factors to be considered in calculating the current agricultural use value (CAUV) "typical cropping and land use patterns" and "typical production costs" and deletes one existing factor "market value". States that the equity yield rate used to calculate the capitalization rate equals the 25-year average of the "total rate of return on farm equity" published by the US Department of Agriculture and the holding period for the purposes of calculating the components of capitalization is 25 years.
- Permits counties participating in a Regional Transportation Improvement Project (RTIP) to create a financing mechanism similar to TIF district and makes an \$250,000 appropriation for the RTIP involving Carroll, Columbiana and Stark counties.
- Removes the sunset that permits the AOS to escalate fiscal watch to fiscal emergency.
- Extends the number of days the AOS has to handle an investigation of malfeasance of fiscal officers from 10 to 30.

The League appreciates all of our members who have spoken with their members of the Ohio General Assembly and encourage municipal officials to share with their legislators budget matters that are important to their communities.

BWC REBATES APPROVED

Last Friday, the Board of Directors of the Ohio Bureau of Workers Compensation approved another \$1.1 billion in rebates to both public and private employers. Also, Lt. Gov. Mary Taylor and BWC CEO Sarah Morrison announced \$44 million in investments to come in workplace safety and health and wellness programs. Of the rebates, the BWC anticipates nearly \$133 million will go to local governments (not including school districts). The League would like to thank all the people who help make it possible for the BWC to grant these rebates. They are meaningful for our cities and villages.

GRANTS AVAILABLE FOR GAS STATION CLEAN UP

This week the Ohio Controlling Board authorized funds for three communities, including the City of Sandusky, to clean up abandoned gas stations. Ohio Development Services Agency, in partnership with Ohio EPA and the Department of Commerce, Bureau of Underground Storage Tank Regulations (BUSTR), has a resource to help clean up abandoned gas and service stations throughout Ohio.

The Abandoned Gas Station Cleanup Grant will provide funding to assess and clean up BUSTR Class C sites (underground storage tanks with documented petroleum releases). 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.

More information here: https://development.ohio.gov/cs/cs_agsc.htm

NEXT WEEK'S COMMITTEE SCHEDULE

Monday, May 8, 2017

CONTROLLING BOARD

Mon., May. 8, 2017, 1:30 PM, North Hearing Room
Christine Morrison, President: 614-466-5721

JOINT COMMITTEE ON AGENCY RULE REVIEW

Mon., May. 8, 2017, 1:30 PM, Hearing Room 121
Larry Wolpert, Executive Director: 614-466-4086

Tuesday, May 9, 2017

HOUSE WAYS AND MEANS

Tue., May. 9, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100

HB162

TAX CREDIT-SOUND RECORDING (SMITH K, LATOURETTE S) To authorize a refundable income tax credit for individual investors in a sound recording production company equal to a portion of the company's costs for a recording production or recording infrastructure project in Ohio.

First Hearing, Sponsor Testimony

HB173

IN-HOME EMPLOYEES TAX CREDIT (LATOURETTE S, PATTON T) To provide that compensation paid to certain home-based employees may be counted for purposes of an employer qualifying for and complying with the terms of a Job Creation Tax Credit.

First Hearing, Sponsor Testimony

HOUSE RULES AND REFERENCE

Tue., May. 9, 2017, 9:45 AM, Hearing Room 119
Rep. Rosenberger: 614-466-3506

HOUSE STATE AND LOCAL GOVERNMENT
Tue., May. 9, 2017, 12:00 PM, Hearing Room 116
Rep. Anielski: 614-644-6041

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.

Sixth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HB121**

PIPE MATERIAL SPECIFICATIONS (EDWARDS J) To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project.

Third Hearing, Opponent Testimony

HB122**

ESTABLISH ECONOMIC STUDY COMMITTEE (HAMBLEY S, ROGERS J) To establish a Regional Economic Development Alliance Study Committee to study the benefits and challenges involved in creating regional economic development alliances.

Third Hearing, All Testimony, POSSIBLE VOTE

HB134

SCHOOL COMMUNITY IMPROVEMENT GRANTS (HAMBLEY S, KICK D) To allow community improvements board grants to a school district to be spent for permanent improvements outside the county so long as the improvements are within the school district.

Second Hearing, All Testimony

HB135

DAY DESIGNATION-SUPERMAN DAY (PATMON B) To designate June 12th as "Superman Day."

Second Hearing, All Testimony

HB139

PUBLIC RECORD DISCLOSURE EXEMPTIONS (PERALES R, KELLER C) To eliminate the public disclosure exemption for any permanently retained record 100 years after the date of its creation.

Second Hearing, All Testimony

HB168**

CEMETERY MAINTENANCE AND REGISTRATION (STEIN D) To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

First Hearing, Sponsor Testimony

HB169

VISION DENTAL AND LIFE INSURANCE PREMIUMS (MERRIN D) To require, with respect to insurance contracted for or provided by the Department of Administrative Services, an individual who is not covered by a collective bargaining agreement to pay the same percentage of the premium for vision, dental, or life insurance as the individual pays for health insurance.

First Hearing, Sponsor Testimony

HOUSE PUBLIC UTILITIES

Tue., May. 9, 2017, 3:00 PM, Hearing Room 313
Rep. Seitz: 614-466-8258

HB178**

ZERO-EMISSIONS NUCLEAR PROGRAM (DEVITIS A) Regarding the zero-emissions nuclear resource program.

Second Hearing, Proponent & Opponent Testimony

HOUSE EDUCATION AND CAREER READINESS

Tue., May. 9, 2017, 4:00 PM, Hearing Room 121

Rep. Brenner: 614-644-6711

HB154

TRUCK DRIVER STUDENT AID (SMITH R, MANNING N) To establish the Commercial Truck Driver Student Aid program and to make an appropriation.

First Hearing, Sponsor Testimony

HB170

COMPUTER SCIENCE EDUCATION (CARFAGNA R, DUFFEY M) With regard to academic content standards and curriculum requirements for computer science; to revise educator qualifications regarding computer science; to create a competitive technology grant program for the 2018-2019 school year; and to make an appropriation.

First Hearing, Sponsor Testimony

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.

Second Hearing, Proponent Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS

Tue., May. 9, 2017, 4:00 PM, Hearing Room 115

Rep. Roegner: 614-466-1177

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.

Third Hearing, All Testimony

HB93

PRESIDENTIAL CANDIDATE TAX RETURNS (CLYDE K) To require a candidate for President or Vice-President of the United States to submit copies of the candidate's five most recent federal income tax returns for publication on the Secretary of State's official web site.

First Hearing, Sponsor Testimony

Wednesday, May 10, 2017

SENATE FINANCE HEALTH AND MEDICAID SUBCOMMITTEE

Wed., May. 10, 2017, 10:00 AM, North Hearing Room

Sen. Hackett: 614-466-3780

Panel testimony on the following:

- Managed long-term services and supports
- Behavioral health redesign
- Opioids

HB49**

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

Fifth Hearing, Invited Testimony

HOUSE AGRICULTURE AND RURAL DEVELOPMENT

Wed., May. 10, 2017, 11:00 AM, Hearing Room 018

Rep. Hill: 614-644-6014

HB62**

WATER QUALITY IMPROVEMENT (PATTERSON J, SHEEHY M) 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.

First Hearing, Sponsor Testimony

HB175**

LIVESTOCK ON RESIDENTIAL PROPERTY (BRINKMAN T) To allow an owner of residential property to keep, harbor, breed, or maintain small livestock on the property, and to prohibit zoning authorities from regulating certain agricultural activities conducted on residential property for noncommercial purposes.

First Hearing, Sponsor Testimony

OHIO HOUSE

Wed., May. 10, 2017, 1:30 PM, House Chambers

OHIO SENATE

Wed., May. 10, 2017, 1:30 PM, Senate Chambers

SENATE FINANCE PRIMARY AND SECONDARY EDUCATION SUBCOMMITTEE

Wed., May. 10, 2017, 2:30 PM, Senate Finance Hearing Room

Sen. Hite: 614-466-8150

OR AFTER SESSION

HB49**

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

Fifth Hearing, All Testimony

HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY

Wed., May. 10, 2017, 4:00 PM, Hearing Room 116

Rep. Johnson: 614-466-2124

OR AFTER SESSION

HB158

UNEMPLOYMENT COMPENSATION-MILITARY TRANSFERS (PERALES R, CRAIG H) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.

First Hearing, Sponsor Testimony

HB183

AVIATION HALL OF FAME (PERALES R) To establish the Governing Board of the Ohio Aviation Hall of Fame and Learning Center for purposes of establishing the Hall and inducting persons into it.

First Hearing, Sponsor Testimony

Thursday, May 11, 2017

OHIO RETIREMENT STUDY COUNCIL

Thu., May. 11, 2017, 10:00 AM, Hearing Room 121

Bethany Rhodes: 614-228-1346

On the agenda: investment performance review; SERS 10-year fiduciary audit; Iran-Sudan divestment reports; SERS and STRS budgets; SERS and STRS audit reports; STRS cost-of-living adjustment; GPO/WEP issue brief; rules.

SENATE FINANCE HEALTH AND MEDICAID SUBCOMMITTEE

Thu., May. 11, 2017, 10:00 AM, South Hearing Room

Sen. Hackett: 614-466-3780

Invited testimony from Department of Medicaid.

Public testimony on mental health, developmental disabilities, Medicaid and board consolidation.

HB49**

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

Sixth Hearing, All Testimony

**PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE COMMITTEE
SCHEDULE**



Legislative Bulletin

April 28, 2017

This was a busy week at the General Assembly, as the House Finance Committee Chairman Ryan Smith (R-Bidwell) unveiled and the Committee subsequently approved a substitute version of the two year state operating budget. Cities and villages were left with mixed results from this new budget plan, as discussed in detail below. The House Finance Committee cancelled hearings for Friday on the budget while the Chairman announced that he plans to offer a final omnibus amendment and then hold the Committee's final vote on this budget on Monday. We expect the House budget plan to go to the House floor, probably Wednesday. The Chambers are both working hard to determine how to lower the budget, as the Governor has announced a significant shortfall in revenue, estimated to be \$800 million over the biennium.

We continue to discuss the issues that affect municipalities with members. We feel like we have made significant progress since the beginning of this process and are thankful to the Assembly's members who have listened intently to the concerns of our local communities. We need members to continue to voice their concerns with their Representatives and Senators.

HOUSE RELEASES SUBSTITUTE BUDGET PACKAGE. MORE WORK TO BE DONE

On Tuesday, the Ohio House Finance Committee voted to approve the first round of major changes that are planned to the Governor's proposed budget. In this substitute bill, the House plan reduces all spending by \$1 billion in FY18 and \$1.5 billion in FY 19. The substitute bill includes 1.5 percent cuts across most state agencies, plus "targeted reductions" to multiple spending items.

The League would like to thank House members that eliminated the centralization of municipal net profits taxes from the budget at the urging of the League and our members. We discuss the municipal income tax proposals in more detail below.

Below is a brief rundown of areas addressed in the sub bill that we feel our members should be specifically aware of.

Recommendations included from the hearings by the House Ways and Means committee:

- Removed the Governor's proposed tax reform plan, including proposed changes to the following taxes: income, sales, severance, commercial activity, tobacco and vapor, and alcohol.
 - Eliminates the bottom two individual income tax brackets. New lowest bracket begins at \$10,000 at \$74.25 plus 1.980% of the amount above \$10,000. The current low-income tax credit, which eliminates liability for an individual with less than \$10,000, is repealed.

Other issues reviewed by Chairman Tim Schaffer and the House Ways and Means committee including issues impactful to municipalities:

Municipal Tax:

- Strikes the centralized collection proposal. Instead allows a business to file a single annual or estimated return through the Ohio Business Gateway which a business may report and pay the total tax due to all the municipalities in which the business earned

net profits, allows the commissioner to collect a fee of 1% of the tax due or \$1000 whichever is less. Requires the Commissioner to distribute municipal income taxes semi-monthly.

- Changes the penalty for a late municipal income tax to "not to exceed 50%" of the unpaid amount rather than 50%.
- Charges TAX to study the feasibility of accepting municipal tax returns through the existing federal/state modernized e-file system.
- Retains "Throwback" rule repeal

Local Government Fund (LGF):

- Discards proposed changes to the distribution of the Local Government Fund.

Miscellaneous Municipal/Local Government:

- Continues the ability for a county or municipality to enter into an enterprise zone agreement after October 15, 2017.
- Authorizes a county or municipal government to extend a pre-1994 CRA without triggering the laws enacted in 1994.
- Clarifies that public officials are allowed to accept registration fees, travel expenses, and meals during a meeting or convention of a national, state, and regional organizations that a government body pays dues to. This amendment corrects a misinterpretation of the ethics law by the Ohio Ethics Commission in an informal advisory opinion.
- Eliminates the Constitutional Modernization Commission on July 1, 2017.
- Earmarks \$150,000 in FY'18 in the 800-635, Small Government Fire Departments, for equipment related to a fire training center that received capital appropriation in S.B. 310 from the 131st GA.
- Compels Hamilton County to distribute the proceeds of its hotel and lodging tax above \$6 M per year to the township or municipality of origin on a proportional basis.
- Directs the Governor to create Clean Water Central Ohio to oversee waste treatment planning in Franklin and parts of surrounding counties.
- Elevates the threshold for competitive bidding for port authorities to \$250,000.
- Sanctions a probate court to do the following in regards to a park district created by an order of the court: 1) issue an order preventing interference with the court's order creating the district, 2) enforcing the court's order creating the district, 3) issuing an order compelling compliance with the laws, 4) investigating matters involving the park district, 5) Impose duties and restrictions on a person or party who interferes with the park district's purposes 6) tax the cost of proceedings as court costs.
- Exempts property conveyed to a development corporation that is unoccupied and once owned by the federal government from local property taxes.
- Mandates a political subdivision pay owners fees when the subdivision appeals a property tax assessment case and loses.
- Adds two new factors to be considered in calculating the current agricultural use value (CAUV) "typical cropping and land use patterns" and "typical production costs" and deletes one existing factor "market value". States that the equity yield rate used to calculate the capitalization rate equals the 25-year average of the "total rate of return on farm equity" published by the US Department of Agriculture and the holding period for the purposes of calculating the components of capitalization is 25 years.
- Authorizes a county with a population between 375,000 and 400,000 that levies a 3% lodging tax to increase the rate up to an additional 3%.
- Permits counties participating in a Regional Transportation Improvement Project (RTIP) to create a financing mechanism similar to TIF district and makes an \$250,000 appropriation for the RTIP involving Carroll, Columbiana and Stark counties.

Health & Human Services: Opioid crisis and anti-addiction efforts: For programs that implement drug treatment, mental health services, workforce assistance, prevention and recovery efforts, the substitute bill includes an additional \$170 million. Specifically:

□

- Increases 336-432, Continuum of Care Services by \$27 M. Earmarks \$12 M for county ADAMHS boards, \$9 M for ADAMHS boards to establish an acute substance abuse use disorder stabilization center in each of the six state psychiatric hospital regions, and \$6 M for the ADAMHS boards to establish a mental health crisis center in the same regions.
- Finances \$20 M for treatment facilities through a capital appropriation.

- Increases 600-533, Child, Family and Community Protection Services by \$15 M per year.
- Earmarks \$10 M per year from 600-410, TANF MOE, to provide support for kinship caregivers.
- Revises the fees for county recorder charges. Removes the \$50 M cap of the fees deposited into the Low- and Moderate-Income Housing Trust Fund. Eliminates the Housing Trust Reserve Fund. Provides that of the amount into the Trust Fund, \$6 M shall be provided to the Department of Mental Health and Addiction Services (MHA) to advance housing opportunities for individuals exiting residential opiate treatment.
- Appropriates \$5 M per year for drug prevention.
- Directs \$3 M per year to 336-422, Criminal Justice Services, and creates medication-assisted treatment in drug court programs in 18 additional counties.
- Creates the County Hub Program to Combat Opioid Addiction and appropriates \$2.2 M in FY'18 for this purpose.
- Increases 336-510, Residential State Supplement by \$1 M per year.
- Introduces a pilot program in Franklin, Cuyahoga and Warren counties to provide mental health and recovery supports to offenders in the criminal justice system in mental health courts. Appropriates \$700,000 per year.
- Earmarks \$150,000 per year from 600-523, Family and Children Services for crisis care nurseries and increases the line by the same amount.
- Establishes a pilot program in Cuyahoga County to convert unused Nursing Facility (NF) beds for drug treatment.
 - Creates on opioid addiction treatment website

State Government & Agency review:

- **Lowens the threshold for signatures required to dissolve a village from 40% of electors to 30%.**
- Adds cyber-training to the list of permissible activities the AOS can provide to local governments.
- Require the Deputy Auditor of State (AOS) to be a certified public accountant.
- Removes the sunset that permits the AOS to escalate fiscal watch to fiscal emergency.
- Extends the number of days the AOS has to handle an investigation of malfeasance of fiscal officers from 10 to 30.

Primary & Secondary Education : K-12 education saw an increase of \$80 million. Specifically, the Sub budget bill:

- Increases the per pupil amount to \$6020 per year from \$6000.
- Removes the transportation supplement from the transitional aid calculations.
- Increases the gain cap to 5.5% from 5.0%.
- Raises the capacity aid multiplier to 4.0 from 3.5.
- Provides a high performing ESC will receive \$25 per student. Other ESCs will receive \$23 per student.
- Adjusts the valuation index in certain districts with high public utility personal property from a "three-year average valuation" to the districts 2016 total taxable valuation if the 2016 value is less.
- Removes the internship requirement for teachers.

The full comparison document of the House Finance Committee's changes can be viewed at <http://www.lsc.ohio.gov/fiscal/comparedoc132/h1/comparedoc-hb49-h1.pdf>

MUNI TAX ISSUES CONTINUE TO DOMINATE HOUSE AND SENATE FINANCE COMMITTEE DISCUSSIONS

Talks about municipal income tax changes in the Governor's proposed budget continued this week in the Finance Committees in both the House and the Senate.

On Tuesday, the House unveiled its Sub Bill, containing the changes the House has made thus far to the Governor's initial budget proposal. The Sub Bill, which was approved by the House Finance Committee that day, contained 3 items of note for municipal income tax. The first, and the most important, was the removal of the centralized collection of municipal income net profit business filings through the Ohio Business Gateway. The Amendment language, introduced by Rep. Gary Scherer (R-Circleville), took the administration and collection of the municipal income net profit tax from section 57 of the ORC and placed it back in section 718, so it remains a municipal tax. It allows businesses to choose to file through the OBG instead of mandating it. It appropriates \$24 million to rebuild OBG to interface with tax preparer software and to accept and process attachments, and mandates these changes be made ready by Jan. 1, 2019. It provides bi-monthly distribution of the collected revenues to the municipalities, and mandates that all filing documents be sent to the municipality for the purposes of reviewing, auditing, and compliance enforcement.

The Ohio Municipal League wants to thank Rep. Scherer and his staff for the work they did to ensure municipalities maintain control of their local revenues and thereby ensure they're empowered not only to provide businesses with local, personal tax assistance, but also to create safe, prosperous communities with a steady, locally-controlled revenue stream. We are also grateful the business community will soon have access to an OBG that can interface with their software and accept attachments, giving businesses the option to file through a portal that will actually meet their needs.

Additionally, Rep. Scherer introduced amendment language into the Sub Bill that changes the language regarding late penalties for remitting employee withholdings from "50%" to "up to 50%".

Rep. Mike Duffey (R-Worthington) introduced amendment language that removed the Governor's proposed method for distributing the Local Government Fund based on a determination of taxing capacity for each political subdivision. That language created winners and losers among municipalities and punished several economically-developed communities for not imposing increased local taxes. We are grateful Rep. Duffy recognized the damage this distribution method would have caused and we thank him and his staff for working to remove that language from the Budget.

Unfortunately, despite interested party meetings with legislators in the House, the elimination of the "throwback" provision has stayed in the adopted Sub Bill. We will continue to meet with interested parties and legislators in the Senate to educate them on the disastrous effect the elimination of the "throwback" would have on both our communities and our businesses, and we encourage our members to contact their Senators to relay the damage eliminating "throwback" would do in their communities' budgets.

Later that same day, the Senate Finance Committee heard from Tax Commissioner Joe Testa, whose testimony did not reflect the changes made in the Sub Bill adopted earlier that morning. He reiterated the supposed burden the municipal collection of the net profit income tax has on the business community and the "antiquated" nature of the "throwback" provision. He also sighted the much-questioned "\$800 million in compliance costs" figure from the Governor's office. OML repeatedly asked the Governor's office to provide sources and a breakdown in figures to explain where they found this impossibly astronomical number. We never got a response. Unfortunately, the Commissioner's citations only further muddied the waters. He claimed the estimate was based on "taxpayer filings for state and local sales tax and municipal income tax for electric light and phone companies, as well as the results of a 2014 survey conducted by the National Society of Accountants and information from the Ohio Society of CPAs." OML still has yet to see the actual numbers that can somehow prove compliance costs could outstrip the net profits revenues themselves by a full \$200 million.

Members of the committee, however, were undoubtedly skeptical of the Commissioner's claims. Sen. Eklund (R-Munson) began by saying he was surprised the Commissioner's justification for centralized collection was "businesses whining" about net profits filing compliance, because he has never heard anything

from the businesses in his district on the issue and that when he brings the issue up, "they look at me like I'm from Jupiter." He also said the Secretary of State's office has reported record high net profits for the past 4 years and wanted to know if Testa had any data beyond his "anecdotal story" that businesses weren't filing. Testa conceded that his evidence is anecdotal, but that the "common thread" of various businesses associations "weighing in" created the proposal.

Sen. Manning (R-North Ridgeville) before moving to another aspect of the budget to ask a question, took the time to reiterate the point made by Sen Eklund that she has spoken to businesses in her district as well and they tell her their number one issue is employees, not tax.

Sen. Dolan (R-Chagrin Falls) took issue with the alleged projected savings of centralized collection as he said cities in his district charge significantly less for collection than what the administration is proposing. He then spoke to his concern about the cost of centralized to cities beyond the proposed 1% administration fee, and contested Testa's assertion that ODT administration would mean increased compliance and therefore more revenue for municipalities, as "cities are not in the habit of leaving dollars around."

Both Sen. Tavares (D-Columbus) and Sen. Skyes (D-Akron) wanted to know why there couldn't simply be a centralized collection software municipalities could use so that the State could be left out of the collection and administration.

Finally, Sen. Lehner (R-Kettering) spoke to how the LGF had an apportionment that was the cities' tax that was taken by the state "bit by bit". She wanted to know how the State takeover of net profit filings was any different. Testa replied he could not speak to the LGF.

General testimony on the Budget bill was heard in the House Finance Committee throughout the week. The only other testimony on municipal income tax issues was from the Ohio Society of CPAs and the Ohio Manufacturer's Association, both as "interested party."

Early next week, the House will adopt and pass an Omnibus Amendment to the Budget bill before it sent over to the Senate. OML will keep our members apprised of proceedings related to municipalities as the Senate makes their changes to the bill.

HOUSE COMMITTEE HEARS BUILDING INSPECTION BILL

A few weeks ago we reported on the introduction of House Bill 128, introduced by Representative Kristina Roegner (R-Hudson) 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 bill, in its current form, would allow constructions companies to subvert their local building departments, even after inspections have been conducted, by allowing them to choose to use third party inspections of their own choice.

Representative Roegner gave sponsor testimony on this bill on Tuesday of this week to the House Economic Development, Commerce and Labor Committee. She argued that constructions companies cannot currently choose their own building officials, and that they should be allowed to do so because "in the instances where there are backlogs or personality conflicts, this lack of choice can lead to unnecessary and expensive delays."

The League, in conjunction with the Ohio Building Officials Association, have urged Representative Roegner to consider an alternative path in lieu of allowing construction companies to undermine local building code enforcement departments. Amendments are currently being considered, but we are not aware of any amendments that would address our primary concern-that the local building departments must retain full control of building inspections.

We believe opponent testimony will be allowed in the coming weeks. Meanwhile, please forward this bill to your building departments and contact OML Director of Communications Josh Brown at jbrown@omlohio.org or call (614) 221-4349 if you have concerns or comments about the bill.

You can view a copy of the bill [HERE](#).

HOUSE COMMITTEE HEARS ENVIRONMENTAL BILLS OF MUNICIPAL INTEREST

On Tuesday, the House Energy and Natural Resources Committee heard testimony on Senate Bill 2 and House Bill 29. Senate Bill 2 would revise certain laws relating to environmental protection. Sponsor testimony was given by Senator Cliff Hite (R-Findlay) and Ohio EPA Director Craig Butler. Butler discussed the details of the bill, saying that the bill would help protect Lake Erie by allowing the OEPA to promulgate rules regarding the beneficial reuse of dredged materials from federal navigation channels and the definition of "waste" in the dredged materials context. Also, the bill will provide clarity about the agency's authority to deal with abandoned landfills.

House Bill 29 received sponsor testimony as well. It was introduced by Representatives David Leland (D-Columbus) and Kristen Boggs (D-Columbus) and would eliminate law authorizing the maintenance of buffers around municipal water reservoirs by contiguous property owners. The members said the bill "would restore the municipalities' ability to maintain these natural buffer zones, thereby ensuring that our water supplies will be protected . . . Fortunately, a lawsuit filed by some of the affected cities -- Columbus, Westerville, Akron, Barberton and Lima -- has temporarily blocked the law from taking effect. But since we created the problem, we need to take this action to protect the health and safety of our constituents."

PIPE MATERIAL BILL RECEIVES HEARING

The House State and Local Government Committee heard testimony from multiple proponents on House Bill 121, which was introduced by Representative Jay Edwards (R-Nelsonville) and would require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. Most of the proponents were professionals in the pvc piping industry. Some represented organizations in that industry.

Committee members questioned witnesses repeatedly about the meaning of the words "shall consider." Opponents, including the League, believe that this bill could undermine professional discretion of city engineers and impose undue liability on municipalities. Further, the bill would undermine the authority of local governments to develop their own RFP process. Proponents argued that "shall consider" is an easily fulfilled requirement and that the bill simply allows PVC to compete within a fairer system.

AUDITOR YOST TO SPEAK AT OML EVENT

State Auditor Dave Yost, who is a candidate for Ohio Attorney General, will be the key-note speaker at the Annual Conference of the Ohio Association of Public Safety Directors (an affiliate of the League) next Friday, May 5th at 9am at the Hilliard Ohio Police Department. The Auditor will be addressing issues affecting public safety departments throughout Ohio.

Also at the conference, the Department of Commerce will give an update on the new marijuana rules and what public safety departments should know going forward. Lastly, acclaimed labor lawyer Jonathan Downes will be presenting a two-house CLE on updates in public safety law, with a focus on employment issues. All municipal officials are welcome to attend. Click [HERE](#) for a full schedule and pricing.

BILLS INTRODUCED OF MUNICIPAL CONCERN

HB187

EMPLOYEE HIRING INFORMATION - To regulate the collection, use, and retention of certain information obtained from an applicant during the employee selection process.

Introduced Dever, J

SB138

CAVITY SEARCHES-CORRECTIONS OFFICERS - To authorize a corrections officer to cause a body cavity search to be conducted, to establish separate rules and restrictions for conducting strip searches, and to limit the right of any person to commence a civil action for a violation of the law governing body cavity searches and strip searches to violations related to body cavity searches.

Introduced Eklund, J

HB190

RAILROAD CROSSING REQUIREMENTS - To require vehicle operators to watch, listen, and stop for on-track equipment that may be approaching a railroad crossing.

Introduced Lepore-Hagan, M, Schuring, K

COMMITTEE SCHEDULE FOR THE WEEK OF MAY 1, 2017

Monday, May 1, 2017

HOUSE RULES AND REFERENCE

Mon., May. 1, 2017, 10:30 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

HOUSE FINANCE

Mon., May. 1, 2017, 2:00 PM, Hearing Room 313

Rep. Smith: 614-466-1366

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

Fourteenth Hearing, No Testimony, AMENDMENTS/POSSIBLE VOTE

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

Tuesday, May 2, 2017

HOUSE FINANCE

Tue., May. 2, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

IF NEEDED

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

Fifteenth Hearing, No Testimony, AMENDMENTS/POSSIBLE VOTE

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

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., May. 2, 2017, 9:00 AM, Hearing Room 114

Rep. Dever: 614-466-8120

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.

Third Hearing, All Testimony, POSSIBLE VOTE

HOUSE WAYS AND MEANS

Tue., May. 2, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

HB124 VOCATIONAL SCHOOL TAX LEVY (BRENNER A, CARFAGNA R) To authorize a joint vocational school district to submit the question of a renewal tax levy to voters who did not have an opportunity to vote on the levy at an election held in November of 2015 because the levy was only placed on the ballot in one of several counties in which the district has territory.

Third Hearing, All Testimony, POSSIBLE VOTE

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

HOUSE RULES AND REFERENCE

Tue., May. 2, 2017, 9:45 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

OHIO HOUSE

Tue., May. 2, 2017, 11:00 AM, House Chambers

SENATE RULES AND REFERENCE COMMITTEE

Tue., May. 2, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

OHIO SENATE

Tue., May. 2, 2017, 1:30 PM, Senate Chambers

CANCELLED

Wednesday, May 3, 2017

SENATE RULES AND REFERENCE COMMITTEE

Wed., May. 3, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO SENATE

Wed., May. 3, 2017, 1:30 PM, Senate Chambers

OHIO HOUSE

Wed., May. 3, 2017, 1:30 PM, House Chambers

Thursday, May 4, 2017

OHIO HOUSE

Thu., May. 4, 2017, 12:01 AM, House Chambers

IF NEEDED. Session to convene at the call of the speaker

SENATE FINANCE HEALTH AND MEDICAID SUBCOMMITTEE

Thu., May. 4, 2017, 10:00 AM, Hearing Room 110

Sen. Hackett: 614-466-3780

Testimony from the following:

- Board of Pharmacy
- Department of Aging
- Department of Developmental Disabilities
- Department of Health
- Department of Job and Family Service
- Department of Mental Health and Addiction Services
- Opportunities for Ohioans with Disabilities

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

Fourth Hearing, Invited Testimony

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



Legislative Bulletin

SPECIAL ALERT

April 26, 2017

HOUSE SUB BUDGET BILL REMOVES CENTRALIZED COLLECTION OF MUNICIPAL NET PROFIT TAX PROPOSAL

The League would like to alert our members that yesterday the House Finance Committee approved new language for a Substitute Budget Bill that removed the Governor's proposed centralized collection language and focuses instead on properly funding the OBG for a rebuild that will adequately service the needs of the tax filers that choose to use the central portal while preserving local control of municipal revenue.

The League would like to thank Rep. Gary Scherer (R-Circleville) who has been working with the League to address our members concerns and ultimately offered the amendment language adopted by the Finance Committee. A copy of the budget language can be found [HERE](#).

The language will:

- Appropriate \$24 million to rebuilding the OBG
- Remove the municipal net profit business filings from the Ohio Revised Code section 57 and reinstates it back into ORC 718.
- Preserves the optional use of the OBG for business filers.
- Removes the 1% service fee to municipalities.
- Allows the Tax Commissioner to charge a user fee of up to one percent (1%) of the tax due on the return or one thousand dollars, whichever is less, to business filers that utilize the rebuilt portal.
- Taxes collected through the Gateway are guaranteed to be distributed to municipalities at least bi-monthly.
- Filings will continue to flow to municipalities through the Gateway preserving auditing and compliance authorities of municipalities.
- The rebuilt Gateway is to be ready by Jan. 1, 2019.

Regarding the language to repeal the throwback rule, an omnibus amendment to the Budget will be adopted by the House Finance Committee next week and then the final proposal will be sent to the full House for a vote and then sent to the Senate.

The league has participated in interested parties meetings with legislators regarding consequences, intentional and unintentional, to the repeal proposal and we believe that language may be added to the omnibus amendment next week altering the "as introduced" version of this proposal.

The Senate will have a few short weeks to incorporate their changes before the Budget is passed. Please keep in touch with your legislators and ask for their support in preserving local control of municipal revenues and to not support budget changes that will further reduce local revenues.

Thank you for all your involvement in letting your members at the Statehouse know how important local control is to creating safe, prosperous communities. In Friday's regular bulletin, we will highlight other issues included in the House budget proposal that will impact Ohio cities and villages.



Legislative Bulletin

April 21, 2017

This was the second week of the spring recess for members of the Ohio General Assembly. During this period, as it is budget season, House leadership continues to comb through hundreds of amendments submitted by all members of the Ohio House, in attempts to advance policies members believe would be beneficial to the state. Leadership will construct a substitute bill that will incorporate all of the changes determined to reflect the priorities of the House and its spending priorities. We anticipate new language to emerge next week from committee hearings scheduled in the House Finance Committee.

The League has requested multiple amendments to important issues we have previewed at length in previous legislative bulletins. Meanwhile, we need members to stay alert over the next few weeks to our emails and to continue to talk to your legislative delegation members, both in the House and Senate, and continue to express upon them your concerns with challenges to local control and revenue management. Once the final amendments are made public, we will immediately inform you and provide advice on what steps to take.

LEAGUE PARTICIPATES IN SPONSORING OHIO MUNICIPAL SUMMIT ON AFTERSCHOOL AND SUMMER LEARNING EVENT

The Ohio Afterschool Network, along with the National League of Cities and the Ohio Municipal League, hosted the first ever Ohio Municipal Summit on Afterschool and Summer Learning. The event took place last week on Wednesday, April 12, and was attended by education, afterschool and municipal leaders from around the state.

League Executive Director, Kent Scarrett, addressed attendees as part of the opening remarks, speaking on the importance of every person in afterschool and summer learning lobbying for a better future for students and, by proxy, a better future for Ohio. Other speakers included Matt Zone, President of the National League of Cities and a City of Cleveland Councilman, and Reginald MacGregor, the Manager of Engineering Employee Development at Rolls Royce. Those who attended the event learned about how afterschool and summer learning programs improve workforce readiness, safety, and educational outcomes for students in a variety of workshops. They also heard from a panel that included Mayor Nan Whaley of the City of Dayton and Councilman Zone, which discussed how municipal leaders can invest in and benefit from afterschool and summer learning programs in their cities.

The Ohio Municipal League was proud to be a part of this important summit, and we will keep our members aware of future opportunities to engage in discussions about how afterschool and summer learning can benefit Ohio's municipalities.

LEAGUE AND MUNICIPAL ATTORNEYS ASSOCIATION PREPARE A REPORT TO THE CONSTITUTIONAL MODERNIZATION COMMISSION

Last month, Governor Robert Taft, a member of the Constitutional Modernization Commission, asked the League to review Article XVIII (Home Rule) of the Ohio Constitution and suggest any amendments that might be appropriate. Honoring that request, as General Counsel for the OML, Garry E. Hunter, Esq. formed a committee

to: (1) Study Article XVIII of the Constitution of Ohio; (2) Promote an exchange of experiences and suggestions respecting desired changes in Article XVIII; (3) Consider the problems pertaining to the amendment of Article XVIII; and, (4) Make recommendations to the Ohio Constitution Modernization Commission's Education, Public Information, and Local Government Committee.

A copy of the final report submitted to Governor Taft can be accessed [HERE](#).

Mr. Hunter constituted the committee with members of the OML and the Ohio Municipal Attorneys Association ("OMAA"). The Committee comprises Garry E. Hunter, Esq., OML/OMAA General Counsel, Chair; E. Rod Davisson, Esq., Village Administrator Obetz, Vice Chair; Kent Scarrett, OML Executive Director; Ed Albright, OML Deputy Executive Director; Stephen J. Smith, Jr., Esq. and Thaddeus M. Boggs, Esq., of the Frost, Brown, Todd Law Firm in Columbus; Thomas Schmitt, Esq., Assistant Law Director, City of Westerville, Metz, Bailey, McLoughlin Law Firm; Paul G. Bertram, III, Esq., Director of Law, City of Marietta; Darren Shulman, Esq., City Attorney, City of Delaware; and, Les S. Landen, Esq., Director of Law, City of Middletown.

The Report suggests the following changes to Article XVIII, Section 3 of the Constitution to clear up confusion over the intent of the original 1912 Constitutional Convention language on Home Rule:

- "Municipalities shall have authority to exercise all powers of local self-government. and Municipalities shall also have the authority to adopt and enforce within their territorial limits such local police, sanitary and other similar regulations as are not in direct conflict with general laws.
- The General Assembly cannot interfere with powers granted to municipal corporations by the Ohio Constitution unless the Constitution sanctions the interference.
- These exercises of municipal authority are self-executing, and no municipality shall be required to adopt a charter in accordance with Sections 7 and 8 of this Article XVIII to exercise this authority."

We will be sure to alert our members of any future activity that takes place related to actions by the modernization review commission.

LEAGUE NOMINEES TO JAIL BOARD APPOINTED

On April 17, 2017, the League Executive Director Kent Scarrett nominated three people to serve on the Ohio Jail Advisory Board: Greg Peterson who is Mayor of Dublin and an accomplished attorney; Robert Ratliff, who is Law Director for the City of Bucyrus and an accomplished attorney, and; Louis Gallizio, who is the Jail Administrator for the City of Parma.

On April 19, the nominations were accepted by the Board and the three individuals received their appointments. We would like to congratulate them and we know they will do a great job representing municipalities on the Board.

POOLED COLLATERAL SYSTEM ENSURES SAFETY OF OHIO'S TAX MONEY BY THE OHIO TREASURER'S OFFICE

Innovative legislation recently passed by the Ohio Legislature streamlines and modernizes Ohio's public deposit collateral structure. HB 64 created the Ohio Pooled Collateral System (OPCS) to better ensure the safety and protection of Ohio's government deposits by creating a centralized pool of collateral overseen by the Ohio Treasury.

This system is required to be operational by July 1, 2017, and participation is voluntarily for financial institutions. Local governments retain the authority to select their financial institution and can still require collateral above the state statutory rate.

Under prior law, Ohio's collateral monitoring and oversight process was decentralized, which could create uncertainty as to whether local governments had a perfected security interest in the amount of collateral pledged against their deposits, and whether or not that deposit was appropriately protected in the event of a financial crisis.

With the creation of OPCS, the Ohio Treasury will oversee a pool of collateral for each financial institution that chooses to participate on behalf of Ohio's local governments. This new structure seeks to reduce costs for Ohio's local governments, provides administrative benefits for local governments, and most importantly, guard against fraud.

With OPCS, Ohio's local governments still have ample flexibility in the handling of their public deposits and control over their banking relationships. OPCS simply leverages the administrative capacity of the Treasurer's office to streamline the collateral process, while giving local governments the autonomy and flexibility to make the best decisions on behalf of their constituents.

In addition, OPCS provides greater efficiencies to Ohio's local governments. OPCS shifts the burden of processing pledged collateral from local governments to the Treasurer's office, freeing up valuable time and resources for local governments. OPCS also enables financial institutions to report information to the Treasurer's office rather than multiple entities.

Under OPCS, the Treasurer's office utilizes a 3rd party pricing source to determine the market value of collateral that participating financial institutions have pledged, and ensures that all necessary steps have been taken by those financial institutions to protect public deposits. This safeguards Ohio's tax money and protects against potential fraud or abuse.

Furthermore, the Treasurer's office maintains OPCS records via an online portal to allow for the efficient and transparent reporting of all public deposits and corresponding collateral. This daily monitoring enables participating local governments to review and analyze their collateral reports in a manner not available before.

With OPCS, local governments have yet another tool in their tool-belt to help ensure the safety, security and protection of Ohio's public funds.

OPCS was established based on changes to the Ohio Revised Code in 2015 and is scheduled to launch on or before July 1, 2017. For more information, please contact the Treasurer's office at 614-995-3773 or by email at constituentaffairs@tos.ohio.gov.

SENATE DEMOCRATS ELECT NEW LEADER

The Senate Democrat Caucus lost their leader Sen. Joe Schiavoni (D-Boardman) this week, who stepped down from the leadership role to dedicate more time to his gubernatorial aspirations. The Senate Democratic Caucus elected Senator Kenny Yuko (D-Richmond) to take the reins of leadership. Yuko is a long-time veteran of the General Assembly, having served in both chambers.

After being elected to lead his fellow democratic members, Senator Yuko was quoted as saying, "During the upcoming budget debate in the Senate, we will fight to ensure our schools and communities have the resources they need and deserve."

The league heartily congratulates Senator Yuko on his new role. The League has had a long and very enjoyable relationship with the Senator. We look forward to working with the new leader and wish him great success.

MARIJUANA RULES BEGIN PERCOLATING

The Ohio Medical Marijuana Control Program has sent a number of initial rules to the Joint Committee on Agency Rule Review (JCARR). The proposed addition would be OAC 3796. The rule-making process can be tracked at: <http://www.medicalmarijuana.ohio.gov/>

Future rules are also expected from the Ohio Pharmacy Board. The Ohio Association of Public Safety Directors, an affiliate of the League, will be hosting a panel discussion on May 5 from representatives from both agencies. Please see the events section below for more details. All are invited.

COMMITTEE SCHEDULE FOR NEXT WEEK

Monday, April 24, 2017

HOUSE RULES AND REFERENCE

Mon., Apr. 24, 2017, 1:00 PM, Hearing Room 119
Rep. Rosenberger: 614-466-3506

CONTROLLING BOARD

Mon., Apr. 24, 2017, 1:30 PM, North Hearing Room
Christine Morrison: 614-466-5721

Tuesday, April 25, 2017

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Apr. 25, 2017, 9:00 AM, Hearing Room 114
Rep. Dever: 614-466-8120

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.

Third Hearing, Opponent/Interested Party Testimony, POSSIBLE VOTE

HB104

TAX REFUND ON BAD DEBTS (SCHAFER 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.

Third Hearing, All Testimony, POSSIBLE VOTE

SB24

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

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HOUSE WAYS AND MEANS

Tue., Apr. 25, 2017, 9:00 AM, Hearing Room 121
Rep. Schaffer: 614-466-8100

HB124

VOCATIONAL SCHOOL TAX LEVY (BRENNER A, CARFAGNA R) To authorize a joint vocational school district to submit the question of a renewal tax levy to voters who did not have an opportunity to vote on the levy at an election held in November of 2015 because the levy was only placed on the ballot in one of several counties in which the district has territory.

Second Hearing, All Testimony, AMENDMENTS/SUBSTITUTE BILL

HB116

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.

Third Hearing, All Testimony, POSSIBLE VOTE

HB118**

TAX COMPLAINT DISMISSAL (MERRIN D) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.

Third Hearing, All Testimony, POSSIBLE VOTE

HOUSE FINANCE

Tue., Apr. 25, 2017, 10:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

HB49** OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
Tenth Hearing, No Testimony, SUBSTITUTE BILL

HOUSE STATE AND LOCAL GOVERNMENT

Tue., Apr. 25, 2017, 10:00 AM, Hearing Room 122

Rep. Anielski: 614-644-6041

SB18 JESSE OWENS DAY DESIGNATION (THOMAS C) To designate September 12 as "Jesse Owens Day."
Third Hearing, All Testimony, POSSIBLE VOTE

SB27 DEAF HISTORY MONTH DESIGNATION (BEAGLE B) To designate the period beginning March 13 and ending April 15 as "Ohio Deaf History Month."
Third Hearing, All Testimony, POSSIBLE VOTE

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.
Sixth Hearing, All Testimony, POSSIBLE VOTE

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

HB122** ESTABLISH ECONOMIC STUDY COMMITTEE (HAMBLEY S, ROGERS J) To establish a Regional Economic Development Alliance Study Committee to study the benefits and challenges involved in creating regional economic development alliances.
Second Hearing, All Testimony

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

HB134 SCHOOL COMMUNITY IMPROVEMENT GRANTS (HAMBLEY S, KICK D) To allow community improvements board grants to a school district to be spent for permanent improvements outside the county so long as the improvements are within the school district.
First Hearing, Sponsor Testimony

HB135 DAY DESIGNATION-SUPERMAN DAY (PATMON B) To designate June 12th as "Superman Day."
First Hearing, Sponsor Testimony

HB139 PUBLIC RECORD DISCLOSURE EXEMPTIONS (PERALES R, KELLER C) To eliminate the public disclosure exemption for any permanently retained record 100 years after the date of its creation.
First Hearing, Sponsor Testimony

SENATE JUDICIARY

Tue., Apr. 25, 2017, 10:00 AM, North Hearing Room

Sen. Bacon: 614-466-8064

SB4 RECORDS EXPUNGEMENT (KUNZE S, OELSLAGER S) To allow a person who is found not guilty of an offense or who is the defendant named in a dismissed criminal charge to apply for a court order to expunge the person's official records in the case if the charge or not guilty finding was the result of the applicant having been a human trafficking victim, to allow a person convicted of certain prostitution-related offenses to apply for the expungement of the conviction record of any offense, other than a specified disqualifying offense, the person's participation in which was a result of having been a human trafficking victim, and to allow intervention in lieu of conviction for persons charged with committing an offense while a victim of compelling prostitution.
Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE FINANCE HEALTH AND MEDICAID SUBCOMMITTEE

Tue., Apr. 25, 2017, 10:45 AM, South Hearing Room

Sen. Hackett: 614-466-3780

Testimony from the following:

- Commission on Minority Health

- Board of Nursing
- Dental Board
- Chiropractic Board
- State Medical Board
- Veterinary Medical Licensing Board
- Board of Sanitarian Registration
- Board of Embalmers and Funeral Directors

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

SENATE FINANCE PRIMARY AND SECONDARY EDUCATION SUBCOMMITTEE
 Tue., Apr. 25, 2017, 10:45 AM, Senate Finance Hearing Room
 Sen. Hite: 614-466-8150

Testimony from the following:

- Ohio State School for the Blind
- Ohio State School for the Deaf
- Joint Education Oversight Committee
- Ohio Facilities Construction Commission

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

SENATE FINANCE
 Tue., Apr. 25, 2017, 1:30 PM, Senate Finance Hearing Room
 Sen. Oelslager: 614-466-0626

Testimony on HB49 from Department of Taxation.

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

SB5 INCREASING INCOME TAX DEDUCTIONS (HOTTINGER J, EKLUND J) To increase the maximum income tax deduction for contributions to college savings accounts and disability expense savings accounts to \$10,000 annually for each beneficiary, to create the Joint Committee on Ohio College Affordability, and to declare an emergency.
Second Hearing, Proponent Testimony

OHIO HOUSE
 Tue., Apr. 25, 2017, 2:00 PM, House Chambers

HOUSE PUBLIC UTILITIES
 Tue., Apr. 25, 2017, 3:00 PM, Hearing Room 116
 Rep. Seitz: 614-466-8258

OR AFTER SESSION

HB178** ZERO-EMISSIONS NUCLEAR PROGRAM (DEVITIS A) Regarding the zero-emissions nuclear resource program.
First Hearing, Sponsor/Proponent Testimony, PENDING REFERRAL

HOUSE ENERGY AND NATURAL RESOURCES
 Tue., Apr. 25, 2017, 4:00 PM, Hearing Room 018
 Rep. Landis: 614-466-8035

SB2** ENVIRONMENTAL PROTECTIONS LAWS (HITE C) To revise specified laws relating to environmental protection.

First Hearing, Sponsor Testimony

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

HB29**

MUNICIPAL WATER RESERVOIR BUFFERS (LELAND D, BOGGS K) To eliminate law authorizing the maintenance of buffers around municipal water reservoirs by contiguous property owners.

First Hearing, Sponsor Testimony

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

HB130

OIL AND GAS ROYALTY STATEMENTS (CERA J) To require the owner of an oil or gas well to provide a royalty statement to the holder of the royalty interest when the owner makes payment to the holder.

First Hearing, Sponsor Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS

Tue., Apr. 25, 2017, 4:00 PM, Hearing Room 115

Rep. Roegner: 614-466-1177

OR AFTER SESSION

HB142**

NOTIFYING POLICE OF CONCEALED CARRY (WIGGAM S) To eliminate the requirement that a concealed handgun licensee notify a law enforcement officer that the licensee is carrying a concealed handgun when stopped.

First Hearing, Sponsor Testimony

FIREARM SALES BACKGROUND CHECK (PATMON B) To prohibit a transfer of a firearm from a person who is not a federally licensed firearms dealer to a person who is not a federally licensed firearms dealer unless it is done through a federally licensed firearms dealer, through a state or local law enforcement agency, or pursuant to a specified exception; to require that background checks be conducted when a firearm is transferred through a federally licensed firearms dealer or a state or local law enforcement agency; and to provide for recordkeeping with respect to information obtained pursuant to such a background check.

HB151

First Hearing, Sponsor Testimony

HUNTING LICENSE FIREARMS (PATMON B) To require an applicant for a hunting license to specify whether the applicant has been convicted of or pleaded guilty to a felony and to require the license to specify "firearm restricted" if an applicant has so indicated.

HB152

First Hearing, Sponsor Testimony

BAN IMITATION FIREARMS (PATMON B) To generally ban the manufacture, sale, alteration, and public display of imitation firearms and the disguising of a firearm to make it resemble an imitation firearm.

HB153

First Hearing, Sponsor Testimony

SENATE EDUCATION

Tue., Apr. 25, 2017, 4:00 PM, South Hearing Room

Sen. Lehner: 614-466-4538

SB8

SCHOOL INFRASTRUCTURE AND TECHNOLOGY (GARDNER R, TERHAR L) To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security.

Third Hearing, Opponent/Interested Party Testimony

SB82

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.

Third Hearing, All Testimony

SB34

SCHOOL YEARS (MANNING G) To generally require public and chartered nonpublic schools to open for instruction after Labor Day.

Third Hearing, All Testimony

SB85

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.

Second Hearing, Proponent Testimony

Wednesday, April 26, 2017

HOUSE FINANCE

Wed., Apr. 26, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

HB28

INDUSTRIAL COMMISSION BUDGET (BRINKMAN T) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of Commission programs.

Third Hearing, No Testimony, AMENDMENTS/POSSIBLE VOTE

HB49**

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

Eleventh Hearing, All Testimony

HOUSE HEALTH

Wed., Apr. 26, 2017, 9:00 AM, Hearing Room 121

Rep. Huffman: 614-4668114

SB57

DAY DESIGNATION-CANCER AWARENESS (KUNZE S) To designate the seventeenth day of May as "Diffuse Intrinsic Pontine Glioma Awareness Day."

First Hearing, Sponsor/All Testimony, POSSIBLE VOTE

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."

Fourth Hearing, Proponent & Opponent Testimony, POSSIBLE VOTE

HB167

PHYSICIANS AND DENTISTS-OPIOIDS (EDWARDS J) Regarding addiction treatment and opioid prescribing by physicians and dentists.

First Hearing, Sponsor Testimony, PENDING REFERRAL

HB149

ABORTION TRAFFICKING PENALTY (PATMON B, CONDITT M) To expand the crime of abortion trafficking and to increase the penalty.

First Hearing, Sponsor Testimony

HB165

MONTH DESIGNATION-CONGENITAL CYTOMEGALOVIRUS AWARENESS (GONZALES A, CONDITT M) To designate May as "Congenital Cytomegalovirus Awareness Month."

First Hearing, Sponsor Testimony, PENDING REFERRAL

SENATE RULES AND REFERENCE COMMITTEE

Wed., Apr. 26, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO HOUSE

Wed., Apr. 26, 2017, 1:30 PM, House Chambers

CANCELLED

OHIO SENATE

Wed., Apr. 26, 2017, 1:30 PM, Senate Chambers

SENATE FINANCE

Wed., Apr. 26, 2017, 3:00 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

OR AFTER SESSION

Testimony on HB49 from health and human services panel.

HB49**

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

Fourth Hearing, Invited Testimony

Thursday, April 27, 2017

JOINT MEDICAID OVERSIGHT COMMITTEE

Thu., Apr. 27, 2017, 9:00 AM, NA

Susan Ackerman: 614-644-2016

CANCELLED

HOUSE FINANCE

Thu., Apr. 27, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

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

Twelfth Hearing, All Testimony

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

SENATE FINANCE PRIMARY AND SECONDARY EDUCATION SUBCOMMITTEE

Thu., Apr. 27, 2017, 10:00 AM, North Hearing Room

Sen. Hite: 614-466-8150

Testimony from the following:

- Casino Control Commission
- Joint Committee on Agency Rule Review
- Ohio Lottery Commission
- Ohio Commission on Service and Volunteerism

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

Third Hearing, Invited Testimony

SENATE HEALTH, HUMAN SERVICES AND MEDICAID

Thu., Apr. 27, 2017, 10:00 AM, South Hearing Room

Sen. Burke: 614-466-8049

Testimony from the following

- Health Transformation Director Greg Moody
- JMOC Director Susan Ackerman

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

Third Hearing, Invited Testimony

SENATE RULES AND REFERENCE COMMITTEE

Thu., Apr. 27, 2017, 10:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

OHIO SENATE

Thu., Apr. 27, 2017, 11:00 AM, Senate Chambers

CANCELLED

OHIO HOUSE

Thu., Apr. 27, 2017, 1:00 PM, House Chambers

CANCELLED

Friday, April 28, 2017

HOUSE FINANCE

Fri., Apr. 28, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

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



Legislative Bulletin

April 7, 2017

The General Assembly spent most of this week involved in events related to the Governor's State of the State speech on Tuesday in Sandusky.

The league is very appreciative of the General Assembly and Governor for working to hold this event in Sandusky, giving members an opportunity to interact and work with another great Ohio city.

The administration held a number of events to update the public about several projects they are working on. On Wednesday the Senate held session and a handful of committees. In the Governor's remarks, he mentioned a few issues that municipalities should note, and we discuss that in more detail below.

LEGISLATURE ADJOURNS FOR SPRING RECESS

Members of the Ohio House and Senate have left Columbus for the next several weeks as they return to their districts for a Spring recess. While legislators are back in the communities they represent, we encourage our members to reach out to them and talk with their state officials about the good things happening in their communities and the need for support of local control from the Statehouse.

During the next few weeks while the members of the legislature are not in session, legislative leaders of the House will be meeting to assemble the components of what they believe should be included in the state operating budget. Sometime in early May, the House will approve their spending priority bill and deliver it to the Senate, where budget committee hearings have already begun.

The league is very grateful for all of the phone calls, meetings, resolutions and letters that have been sent to legislators expressing opposition to the budget items negatively impactful to cities and villages. We hear from so many legislators at the Statehouse who have received communications from league members about how the municipal tax issues in the budget proposal will not benefit the stability or success of their communities.

Your efforts to expose the impacts of these misguided initiatives are very important and are helping to introduce conversations on other ways to address municipal challenges. Please remain vigilant and keep up your efforts to protect Ohio's municipalities.

GOVERNOR'S STATE OF THE STATE SPEECH TOUCHES ON MUNICIPAL ISSUES

On Tuesday, Governor John Kasich gave the 2017 State of the State address to the General Assembly in Sandusky, Ohio. The speech lasted about 70 minutes, was wide-ranging and generally well-received, although members of both political parties had some differences of opinion on multiple issues. The Governor stressed throughout the speech that the state should be more forward-looking, staying ahead of future developments as the world is changing fast.

Here are a few highlights:

- The Governor spent some time speaking about municipal tax reform. He advocated for his proposed change to have the state take over the net profit component of the municipal income tax, saying that it will save businesses \$800 million annually. The league has reached out to the Governor's office and the Department of Taxation to get more information on how the savings to businesses will actually be realized but have not received a satisfactory answer that we are able to share. If any specifics on where the savings to businesses will come from, we will immediately share that information with our members.

- The Governor remarked on the need to continue to invest in Lake Erie, praising a \$1 million grant given to the Sandusky area to restore wetlands.
 - He said the state needs to act "smarter" about what works by employing more data analytics.
 - The Governor also emphasized that the legislature should continue fiscal restraint, saying that doing so in the past has enabled the state to successfully navigate the recent drop in revenues.
 - He mentioned the recent cuts in workers' comp premiums, saying he would not be surprised to see another \$1 billion cut announced.
 - He did mention his plan to create the position of "chief innovation officer." He says he is not going to expand government to do this, but rather, he will do it by "moving things around."
 - Generally, comments were made regarding repair and improvements issues to the state's transportation system including the move into smart technology
- The Governor also spent much of the speech talking about the many steps the state has taken to deal with the drug epidemic. The following are some of the remarks on this subject:
 - ○ He asked the Ohio Third Frontier Commission to invest \$20 million dollars to come up with new ways to combat the state's opioid epidemic at Tuesday night's State of the State address.
 - ○ He stressed that Ohio's drug addiction problem must be solved up through local community intervention rather than government police and programs.
 - ○ The Governor announced new, upcoming regulations that will place limits on how prescribers, such as doctors or dentists, prescribe acute opiates.
 - ○ He said, "State government will be doing its part as well, by providing our communities, educators, medical professionals and other partners with new tools to help them fight this epidemic and we have more tools we'll announce soon."

Notably absent from his remarks was any discussion about his past proposals regarding the oil and gas severance tax. He had greatly emphasized his proposals on this subject in all of his past State of the State speeches.

The State of the State Address can be viewed at <http://ohiochannel.org/video/state-of-the-state-address-2017>

STATE OFFICIALS GIVE UPDATE ON ALGAL BLOOMS RESEARCH

As part of the State of the State activities, many administration officials gave presentations regarding their areas of work. Bowling Green State University's Firelands Campus hosted an event regarding Harmful Algal Research Initiative where state officials gave updates on the project.

David Daniels, the Director of the Ohio Department of Agriculture and Ohio Environmental Protection Agency Director Craig Butler were part of the presentation. Thomas Bridgeman from the University of Toledo gave the overview of the projects for the group. He said there are 32 projects currently in the initiative. Bridgeman said that finding the right types of researchers is important.

The initiative involved two rounds of funding, at about \$2 million for each round. The first round began in 2015 and the second round began in 2016. The first round looked at five areas: 1) Lake Erie algal blooms and water quality that focused on early detection and prevention which led to a project that helped create an early warning system for the city of Sandusky; 2) producing safe drinking water, which focused on arming water treatment plants with tools, technology and training to remove toxins; 3) land use practices; 4) human health and toxicity, which included projects such as being able to diagnose someone who comes to the hospital with symptoms from the toxin; and 5) economics and policy. The second round focused on how algal blooms move, safe drinking water, protecting public health, and how to educate and engage the community.

SENATE PASSES LEGISLATION AFFECTING MUNICIPALITIES

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.

Vote 33-0

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.

SENATE COMMITTEE HEARS TESTIMONY ON PIPING BILL

On Wednesday, the Senate Energy and Natural Resources Committee heard sponsor testimony from Senator Lou Terhar (R-Green Township) on Senate Bill 95. This language has also been introduced as House Bill 121, introduced by Representative Jay Edwards (R-Nelsonville). The bill would require a public authority to “consider” all piping materials that meet the engineering specifications for a state-funded water or waste water project.

Currently, we have no clear definition of the word “consider” and are concerned about what that could entail. The League opposes the bill because it would be another state preemption. If it withstands judicial scrutiny, the bill would prevent municipalities from passing ordinances or rules that limit what types of materials will be “considered” in the bidding process on certain projects.

We will be sure to keep our members updated on future hearings and opportunities to testify before the committee.

OHIO AFTER-SCHOOL NETWORK MUNICIPAL SUMMITS NEXT WEEK

The Ohio Municipal League and the Ohio Afterschool Network is hosting its inaugural Ohio Municipal Summit on Afterschool and Summer Learning Programs on April 12, 2017 from 10 a.m. to 2 p.m. in the Ohio Statehouse. This is an incredible opportunity for municipal leaders across the state to meet and discuss the crucial issue of Afterschool programs.

Studies show participation on Afterschool programs means increased student achievement - both academic and social/emotional - crime, drug and pregnancy prevention, and workforce preparation

The Summit will include talks from municipal leaders from across the state - including National League of Cities President Matt Zone - and workshops on ways to improve and innovate After-school programs to address each community's most pressing needs. Please don't miss out on this unique opportunity to collaborate with other municipal leaders working hard to invest in the future of Ohio through After-school programs. Please register here: <https://www.eventbrite.com/e/ohio-municipal-summit-on-afterschool-and-summer-learning-tickets-31789251507> . If you have any questions, please reach out to Ashley Brewster at the Ohio Municipal League. We hope to see you there!

OML DIRECTOR TAKES PART IN DISCUSSION AT OSU

On Tuesday, OML Executive Director Kent Scarrett sat on a panel at The Ohio State University Moritz College of Law that discussed the Ohio judicial system and hydraulic fracking for oil and gas. The panel included legal experts from Washington DC based think tank and institutes, including the Brennan Center for Justice and the Center for American Progress.

The panel was mainly focused on cases like *State ex rel. Morrison v. Beck Energy Corp.* which made regulation of oil and gas an issue of exclusive state jurisdiction. Many municipal officials have been frustrated that they lost local regulatory control over this industry and challenges to the principals of Home Rule. The discussion was part of the ongoing examination of the issue of hydraulic extraction practices.

Director Scarrett limited his comments only to the home rule issues involved, mainly educating audience members about the significance of, and growing problem of state preemption of local control.

COMMITTEE SCHEDULE

Due to Spring Recess there will be no Committee Hearings



Legislative Bulletin

March 31, 2017

This was another substantial week at the General Assembly. Some of the highlights include: the Ohio House continued debating the centralization of the municipal net profits tax; the Transportation Budget was sent to the Governor; the House passed major energy mandates legislation; and the House Insurance Committee delayed voting on the Workers' Compensation Budget.

Next Tuesday, Governor Kasich will give the State of the State Address in Sandusky, Ohio, the Rollercoaster Capital of the World. We would encourage members to go to the address, and take the opportunity to talk to members of the General Assembly about your concerns regarding municipal issues.

HOUSE FINANCE COMMITTEE CONTINUES TESTIMONY ON MUNI TAX ISSUES IN BUDGET PROPOSAL

The House Finance Committee met this week to discuss HB 49, the governor's proposed budget bill. Multiple parties testified on the tax changes proposed in the bill, including the municipal tax issues of centralized collection and throwback.

OML Executive Director Kent Scarrett offered testimony (which can be accessed [HERE](#)) in opposition to several areas of the administration's proposal, which will negatively impact Ohio cities and villages. The league shared with committee members points of opposition that league members have with centralizing the collection aspects of the municipal net profits tax, the revenue impacts related to the removal of the "Throwback" rule and the continuing "tax shift" that will result and how the LGF proposal to create winners and losers in the new scheme to change the distribution methods is not the right answer to address changes made by the state in how it supports their local partners.

Finance committee members also heard from Melinda Frank, Income Tax Administrator for the City of Columbus, who shared with legislators how many of the changes being proposed would adversely affect Columbus' tax payers and other intended and unintended consequences which legislators need to be aware of, if they are going to support the proposal from the administration. A copy of Mindy's testimony can be found [HERE](#).

The league very much appreciates the time the city of Columbus has invested in this effort to educate members of the legislature on the consequences of the tax changes to municipalities and we appreciate Mentor City Council submitting their written opposition to the committee, in the form of the Resolution opposing the plan.

Other testimony included the Ohio Township Association as interested party (and opposed to centralized collection), while NFIB and a coalition of the Associated General Contractors, the Ohio Contractors Association, the National Electrical Contractors Association, the Mechanical Contractors Association, and the Construction Association supported the municipal tax changes.

The House Finance Committee will meet Wednesday, April 5th, at 11 am in House Finance hearing room #313, to receive any final witnesses interested in testifying on the Governor's proposed budget plan. We anticipate this will be the final hearing by the committee before the legislature adjourns for the Spring recess, returning the last week of April, when the House budget priorities should be announced.

If you are interested in providing written or oral testimony before the committee, the league would be happy to assist members in any way possible. Please contact our office for any guidance or questions you may have.

OHIO TOWNSHIP ASSOCIATION OFFERS OPPONENT TESTIMONY ON MUNICIPAL TAX ISSUES IN GOVERNOR'S BUDGET

Matthew DeTemple, the Executive Director of the Ohio Township Association gave testimony this week to the Ohio House Finance Committee, wherein he spoke of the way the municipal income tax proposals in the budget will negatively affect townships.

DeTemple noted that townships are often required to provide certain services under Joint Economic Development Zone agreements and Joint Economic Development District agreements and that townships would see a loss of revenue due to the proposed changes.

Also, he spoke about how the proposed changes to the Local Government Fund would negatively impact townships as well. The County Commissioners association offered two county commissioner witnesses who gave opponent testimony concerning changes be proposed to the LGF and shared with committee members how the proposal would negatively affect counties.

TRANSPORTATION BUDGET SENT TO GOVERNOR

The Transportation Budget HB 26, introduced by Representative Rob McColley (R-Napoleon) was sent to the Governor for his signature this week. The bill underwent major changes between the House-passed and Senate-passed version, so it was sent to a Conference Committee on Monday. Both Chambers passed the Conference Committee bill on Wednesday.

The Conference Committee made the following changes:

- removed \$48 million from the Ohio Public Works Commission's Local Transportation Improvement Program (LTIP)
- removed \$30 million from public transit dollars, that were to come from the Volkswagen Emissions Mitigation Trust Fund
- kept language requiring \$33 million in FY '18 and FY '19 from Highway Operating Fund to support public transportation
- allowed counties to raise revenue for infrastructure by adding a \$5 license plate fee through resolution
- allowed the deputy registrar fee at the Ohio Bureau of Motor Vehicle to be increased up to \$5.25 at the agency's discretion
- increases the earmark in FY '18 and FY '19 for construction, reconstruction, or maintenance of park drives or parks roads within the boundaries of metropolitan parks.

Proponents of the reduction in allotments said that moving that much money into LTIP funds would jeopardize federal funding for the Ohio Department of Transportation (ODOT). Representative McColley said the number that was given to him by ODOT was that potentially we could get \$4 for every state dollar that we put up, so there was an advisory opinion given by ODOT that federal matching funds could be in jeopardy and that the policy decision to direct the local aid should be reconsidered. In discussing current ODOT practices for distributing discretionary funds, the representative reflected that the state has appropriated \$330 million for local governments and that there has been a demonstration to support local governments.

McColley also said that the Volkswagen provisions should simply be delayed because the Ohio Environmental Protection Agency and Ohio Attorney General have advised the General Assembly that "they're still developing protocols for how that money is going to distributed." Also the money from the settlement has yet to be received by the state of Ohio.

The league looks forward to working with Senate Transportation, Commerce and Workforce Committee Chairman Frank LaRose (R-Hudson) to resolve some of the outstanding issues that remain and the conversations surrounding more support more public transit.

Other significant provisions include:

- reauthorization of the Ohio Bridge Partnership Program "SB 6"

- reduces the portion of annual State Capital Improvement Program (SCIP) funding that each district Public Works Integrating Committee is allocated to support Loans or local debt support loans or debt support, from 15% under current law to 10%, beginning in Program year 32 (fyi 2019)
- failure to display a front license plate will become a secondary offense only, subject to a maximum \$100 fine
- court clerks serving as deputy registrars in eight small counties will receive \$8000 per year stipend as part of a pilot program
- the registration fee for commercial vehicles weighing up to 78,000 pounds will be lowered from \$30 to \$15 in Clinton, Franklin, Lucas, Mahoning, Montgomery, and Stark counties
- counties with national forests will receive proceeds from the sale of timber sourced from there (this is already in law, but County Engineers testified that they have not seen these funds)

BOTH CHAMBERS PASS MULTIPLE BILLS RELATED TO MUNICIPALITIES

The House and Senate both passed a number of bills that municipalities should take note of. First, is House Bill 103, introduced by Representative Bill Reinke (R-Tiffin), which 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. At the floor debate, Representative Heather Bishoff (D-Blacklick) mentioned that it is not always the municipalities' fault that they are in fiscal emergency and that there needs to be more of an emphasis on the financial planning title of the bill. Representative Kent Smith (D-Euclid) shared with the members of the House that just 1 percent of the state's Rainy Day Fund could make all 33 of the communities in fiscal emergency whole. The bill will move on to the Senate for their consideration on the House work.

Next, the House passed House Bill 44, introduced by Representative Bill Patmon (D-Cleveland) which would designate May 24 as First Responder's Appreciation Day. The League is very supportive of this legislation.

Lastly, the House concurred with Senate amendments to House Bill 9, which will send the bill to the Governor. The bill was introduced by Representative Kyle Koehler (R-Springfield) and would 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.

WORKERS COMPENSATION BUDGET HEARING CANCELLED

It is unusual that we would report on a committee hearing that did not occur, but we are today with regards to the cancelled House Insurance Committee hearing on Wednesday. The League has submitted testimony in favor of the original Workers Compensation Budget, introduced by Representative Tom Brinkman (R-Mt. Lookout). However, several amendments are being considered to this budget, many at the request of the League.

In particular, some members of the Committee are considering a very large amendments that would have workers' compensation cover mental-mental claims for first responders with PTSD. The League has opposed such efforts in the past. Allowing these claims would fundamentally alter Ohio's workers compensation system, which would require the industry professional to relearn workers compensation principles, and force the system and the state Bureau of Workers Compensation to make difficult choices about priorities. These changes would challenge the financial viability of having a separate workers compensation system. Further, there are a number of problems more specific to the claims themselves, such as who will get mental-mental coverage and under what circumstances. Meanwhile, such issues are normally handled within departments and all municipal employers offer health insurance that covers such claims.

That being said, we believe that the Committee was delayed so that members could take more time to consider this and other amendments. This issue is of such magnitude and complexity that the League believes it does not belong in the budget and should be considered in stand-alone legislation.

We will be sure to keep our members aware of future changes concerning this issue.

SENATE BEGINS BUDGET HEARINGS

On Tuesday, the Senate Finance Committee began hearings on the state budget, although the bill is not expected to be passed by the House for several weeks. The Committee's Chairman is Senator Scott Oelslager (R-Canton) made a number of announcements concerning the anticipated Senate budget process. The Finance Committee will hold hearings on major budget areas before turning the budget over to subcommittees. He does not plan to use the Senate Ways and Means Committee as a Finance subcommittee, as the House has done.

Most likely, the issues affecting cities and villages will receive hearings in the Senate Finance Subcommittee on General Government and Agency Review. This committee is chaired by Senator Kris Jordan (R-Ostrander) and its members include: Vice Chair Sean O'Brien (D-Bazetta), John Eklund (R-Munson Township), Frank Hoagland (R-Mingo Junction), Frank LaRose (R-Hudson), Bob Peterson (R-Washington Court House), Joe Uecker (R-Miami Township), Joseph Schiavoni (D-Boardman), and Michael Skindell (D-Lakewood).

This is the time to reach out to your Senators to discuss municipal issues. They will be more difficult to reach after the budget is passed by the House.

"POLICING FOR PROFIT" LEGISLATION HEARD

On Tuesday the House Criminal Justice Committee heard sponsor testimony on House Bill 125 which was introduced by Representatives Bill Seitz (R-Cincinnati) and Hearcel Craig (D-Columbus). This bill would specify the jurisdiction of municipal and county courts over municipal traffic ordinances and would establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court.

More specifically, the bill: 1) specifies that a municipal or county court has exclusive jurisdiction over a violation of a traffic-related municipal ordinance unless the mayor's court of the municipal corporation has jurisdiction over the violation; 2) clarifies that a violation that is based on evidence recorded by a traffic camera and for which a ticket is issued by a county, township, or municipal corporation under the civil violation ticketing process is not under the original jurisdiction of a county court; and 3) prohibits a municipal corporation that is not authorized to establish a mayor's court from imposing or charging fines, fees, or other charges that are in excess of, or not included in, the applicable municipal or county court's schedule of fines and costs for violations of state law.

"Under the civil violations system, tickets not paid within a certain timeframe are charged an additional \$500 penalty. Citations have been written for speeding, suspended licenses and illegal window tints," Craig said, noting the citations are not reported to the Ohio Bureau of Motor Vehicles (BMV) or the county court. "I believe this bill addresses what is a fundamental issue of fairness. This legislation will ensure our citizens are not falling victim to unfair speed traps and abusive and excessive fines governed by a different set of rules beyond what state law prescribes."

Seitz said he and Craig are considering adding two amendments to the bill, one of which would require the villages to prosecute civil violations in county court. The other amendment would clarify that townships with fewer than 50,000 people cannot issue civil violations after catching people on cameras on an interstate.

Seitz told Rep. Robert McColley (R-Napoleon) that he would support eliminating civil violations completely, but noted there are still "home rule" questions to be decided by the Ohio Supreme Court before considering taking that step.

BILLS OF MUNICIPAL INTEREST

The House State and Local Government Committee heard testimony regarding House Bill 69, introduced by Representative Bob Cupp (R-Lima) which 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.

The League submitted written testimony on this bill as an interested party, mainly to indicate both our concerns with the bill specifically and the legislature's recent trend of empowering townships at the expense of municipalities. A copy of the testimony can be found [HERE](#).

The Committee heard testimony from Chris Connelly of Benesch law firm to explain some of the legal issues about TIFs. Also, they heard testimony from Denise Franz King, a Trustee of Washington Township in Frank, Delaware, and Union Counties. She testified that their township is responsible for protecting \$5.8 billion in real estate and that they are traditionally great partners with the City of Dublin. She said that the Township's lost revenue due to the City's use of TIFs amounts to \$2.1 million.

The House State and Local Government Committee is not expected to act on the Bill until after the legislature returns from their upcoming Spring Break, sometime at the end on April.

OHIO 9-1-1 PROGRAM OFFICE ISSUES ANNUAL REPORT

This week the Ohio 9-1-1 Program Office issued its annual report. The Report updates the state on the activity of the ESINet Steering Committee, the PSAP operations rules, Next Generation 9-1-1 consultants, among several other issues. The report can be downloaded [HERE](#).

ODOT ANNOUNCES \$2.4 BILLION IN FUNDING

The Ohio Department of Transportation announced Thursday that it will be spending nearly \$2.4 billion on roads and bridges in 2017. This spending will include 1,098 projects, including 26 valued at more than \$10 million. Workers will pave 6,945 miles of roadway. This year's construction program will include 191 projects aimed at making Ohio's roadways safer.

These projects range from reconfigured intersections to additional signage and signals. The League is very thankful to ODOT for the announcement and hopes that much of this investment will go into local communities who are still struggling to find the funds to do local infrastructure projects.

OHIO AFTERSCHOOL NETWORK MUNICIPAL SUMMIT COMING SOON

The Ohio Municipal League and the Ohio Afterschool Network is hosting its inaugural Ohio Municipal Summit on Afterschool and Summer Learning Programs on April 12, 2017 from 10 a.m. to 2 p.m. in the Ohio Statehouse. This is an incredible opportunity for municipal leaders across the state to meet and discuss the crucial issue of Afterschool programs.

Studies show participation on Afterschool programs means increased student achievement - both academic and social/emotional - crime, drug and pregnancy prevention, and workforce preparation

The Summit will include talks from municipal leaders from across the state - including National League of Cities President Matt Zone - and workshops on ways to improve and innovate Afterschool programs to address each community's most pressing needs. Please don't miss out on this unique opportunity to collaborate with other municipal leaders working hard to invest in the future of Ohio through Afterschool programs. Please register here: <https://www.eventbrite.com/e/ohio-municipal-summit-on-afterschool-and-summer-learning-tickets-31789251507> . If you have any questions, please reach out to Ashley Brewster at the Ohio Municipal League. We hope to see you there!

BILLS INTRODUCED AFFECTING MUNICIPALITIES

HB148

HOME IMPROVEMENT BOARD - To require statewide registration of home improvement contractors, to create the Home Improvement Board, and to make an appropriation.

Referred to Finance Committee Patmon, B

HB161

WORKERS COMPENSATION-PTSD - To make peace officers, firefighters, and emergency medical workers diagnosed with post-traumatic stress disorder arising from employment without an accompanying physical injury eligible for compensation and benefits under Ohio's Workers' Compensation Law for up to one year and to prohibit such a person from receiving a disability benefit from a state retirement system for post-traumatic stress disorder arising from employment

without an accompanying physical injury during the time period the person receives compensation and benefits under the Workers' Compensation Law for the disorder.

Introduced

Patton,

T

HB163

PREVAILING WAGE PUBLIC IMPROVEMENT PROJECTS - To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects.

Introduced Roegner, K, Riedel, C

HB 168 CEMETERY MAINTENANCE AND REGISTRATION - To modify duties of the Division of Real Estate in the Department of Commerce regarding cemetery registration, to specify cemetery owners must reasonably maintain cemeteries, to establish the Cemetery Grant Program, and to make an appropriation.

Introduced Stein, D

HB171

EMS WORK HOURS (PATMON B) To limit the hours worked in a work shift and to require work breaks for emergency medical service providers.

Introduced Patmon, B

PRELIMINARY COMMITTEE SCHEDULE FOR THE WEEK OF APRIL 2, 2017

Below is the list of Bills up for a hearing next week. After next week, the legislature will recess for two weeks for Spring Break.

Tuesday, April 4, 2017

JOINT SESSION OF THE HOUSE AND SENATE

Tue., Apr. 4, 2017, 7:00 PM, Sandusky State Theatre

The House and Senate will hold a joint session to hear Gov. John Kasich's "State of the State" message for 2017 in the Sandusky State Theatre, 107 Columbus Ave., Sandusky OH 44870.

Wednesday, April 5, 2017

HOUSE FINANCE

Wed., Apr. 5, 2017, 11:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

HB28

INDUSTRIAL COMMISSION BUDGET (BRINKMAN T) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of Commission programs.

Second Hearing, No Testimony, AMENDMENTS/POSSIBLE VOTE

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

Ninth Hearing, All Testimony

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

SENATE RULES AND REFERENCE COMMITTEE

Wed., Apr. 5, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

SENATE TRANSPORTATION, COMMERCE AND WORKFORCE

Wed., Apr. 5, 2017, 11:30 AM, Senate Finance Hearing Room

Sen. LaRose: 614-466-4823

Governor's Appointment:

- Terry Casey to the State Personnel Board of Review

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.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SB77 LICENSE PLATES-KYLERSTONG (COLEY W) To create the "KylerStrong Foundation" license plate.

First Hearing, Sponsor Testimony, AMENDMENTS

SB78 ROAD DESIGNATION-YVONNE FAIR (HOAGLAND F) To designate a portion of State Route 7 in Jefferson County as the "U.S. Air Force Staff Sergeant Yvonne Marie Fair Memorial Highway."

First Hearing, Sponsor Testimony

OHIO SENATE

Wed., Apr. 5, 2017, 1:30 PM, Senate Chambers

SENATE FINANCE

Wed., Apr. 5, 2017, 3:00 PM, Senate Finance Hearing Room

Sen. Oelslager: 614-466-0626

OR AFTER SESSION

Testimony on HB49 from Office of Budget and Management.

Governor's appointments:

- Will Lucas to the Casino Control Commission
- Henry Robinson to the Miami University Board of Trustees
- Rodney Williams to the University of Cincinnati Board of Trustees

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

Second Hearing, Invited Testimony

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

SB5 INCREASING INCOME TAX DEDUCTIONS (HOTTINGER J, EKLUND J) To increase the maximum income tax deduction for contributions to college savings accounts and disability expense savings accounts to \$10,000 annually for each beneficiary, to create the Joint Committee on Ohio College Affordability, and to declare an emergency.

First Hearing, Sponsor Testimony

SENATE EDUCATION

Wed., Apr. 5, 2017, 4:30 PM, South Hearing Room

Sen. Lehner: 614-466-4538

SB85 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.

Second Hearing, Proponent Testimony

PLEASE CHECK OUR WEBSITE MONDAY FOR ANY UPDATES TO THE COMMITTEE SCHEDULE



Legislative Bulletin

March 24, 2017

This week the General Assembly continued to deliberate on the budget while also working on multiple bills. The largest amount of activity this week involved the transportation budget which was passed by the Senate. Meanwhile, municipal income taxes continue to undergo attention from General Assembly members, as extensive testimony was heard again this week on that subject. The League would like to continue to express our gratitude in the dozens of municipal officials who remain highly engaged and productive in talking to members of the General Assembly, both in district and here in Columbus. Your conversations with your members are essential to maintaining local control in Ohio.

MULTIPLE HOUSE COMMITTEES CONTINUE TO STUDY MUNI TAX CENTRALIZATION PLANS

Municipal income tax issues were heard repeatedly in two committees on Tuesday and Wednesday this past week. On Tuesday morning, the House Ways and Means committee heard proponent testimony opposing the centralized collection of net profit business filings from Policy Matters Ohio, as well as testimony supporting it from John Green, a business owner in Stow, OH, and the Ohio Manufacturer's Association. For those interested in, testimony presented to the committee can be accessed via the committee's website: <http://www.ohiohouse.gov/committee/ways-and-means>

Highlights from the hearing include:

- Mr. Green's testimony discussed how the remitting net profit payments through the Ohio Business Gateway would simplify his tax filings were his business to expand in the future, though Mr. Green has the option of remitting his net profits through OBG currently.
- The OMA claimed elimination of the "throwback" rule would encourage economic development. Interestingly, a similar argument was made during HB 5 discussions three years ago, that Amazon could not build distribution centers in Ohio were "throwback" not eliminated. "Throwback" stayed, and Amazon currently operates not one but two distribution sites in Ohio.
- Rep. Henne (R-Clayton) asked OMA testifier Mark Engel of Bricker & Eckler if he were concerned about the fact that OBG is not ready to handle centralized collection. Engle replied unless the proposal pass, necessary improvements would not be made to OBG and suggested a potential be "phase-in." Rep. Henne expressed his fear that the proposal puts the "cart before the horse" and that the State would not be ready to process the filings in time.
- Rep. Boyd (D-Cleveland Hts.) said businesses have expressed that they prefer not to use the OBG and suggested keeping OBG optional would be more pro-business. When Engle responded, there was no such things as a perfect system, Rep. Boyd suggested the Legislature listen to the concerns of hesitant businesses.

That afternoon, the House Finance Subcommittee on State Government and Agency Review had Tax Commissioner Testa return for further questioning on the tax changes proposed in the budget. Submitted testimony can be accessed via the subcommittee's website: <http://www.ohiohouse.gov/committee/finance-subcommittee-on-state-government-and-agency-review>.

Testa brought information the subcommittee had previously requested. Rep. Faber (R-Celina) then asked Testa to help him draft "response letters" to constituents writing his office asking he oppose centralized collection. Highlights include:

- Testa said ODT customer services' average response time ranged between 3 minutes and one business day. He failed to mention that unlike local tax offices, those agents would be unable to access the detailed, personal

accounts local tax administrators keep.

- Testa said that while registration for net profit filings would have to be ready by January 1, 2018, he seemed to suggest full functionality would not have to be ready until April of 2019. While admitting the net profit filing portion of OBG does not currently work well, he claimed that municipalities were responsible for the State's portal's under performance as they do not currently pay for the portal. He did not clarify by reminding the committee that OBG was created to be a State-provided (as in, State-funded) portal for tax filing remittance.
- Rep. Bulter (R-Oakwood) wanted to know why it was not possible to simply fix the OBG without making its use mandatory. Testa said leaving the OBG an option would not fix the problem of the different rules and regulations among the various municipalities; except, legislation also does not "fix" that. Businesses would still have to file net profit tax for each municipality: the difference would be filing through OBG (which they can already do). The data collection and tax calculations for each municipality would still fall to the business or their tax preparer.
- Rep. Faber asked if ODT had an interest in increasing the 1% administration fee in the future. Testa responded this administration had no appetite for it. This administration's tenure is finished in two years.
- Rep. Kelly (D-Cincinnati) finished the questioning by asking if any municipalities supported centralized collection. Testa responded there are no municipalities that support it.
- Melinda Frank, Income Tax Administrator of Columbus since 1987, then testified. She cited an example from Maryland, which centrally collects local taxes, misdirecting over \$21 million due to the misclassification of proper taxing districts. Some local jurisdictions were deprived of funds while others will have to pay back substantial amounts of revenue. She explained how it was possible Ohio could experience similar difficulties with "special tax districts with irregular boundaries" like Joint Economic Development Zones (JEDZs) and Joint Economic Development Districts (JEEDs).

On Wednesday morning, the House Ways and Means committee heard proponent testimony on the municipal income tax portions of the budget bill from Jack Kostak, a business owner, Angela Radic, a tax accountant and Scott Williams from the Ohio Society of Realtors, who was accompanied by Tom Zaino of Zaino Hall & Farrin LLC. Melinda Frank also gave her testimony from the previous afternoon. Highlights include:

- Rep. Scherer (R-Circleville) asked Ms. Radic about the OBG accepting e-filings. Ms. Radic's colleague responded that the OBG had issues that needed addressed, saying system has kicked her out in the middle of making a payment. She expressed concern that OBG would not be able to handle an influx of additional filings and said that the proposed timeline seemed unrealistic. They clarified they support the proposal "with the caveat that the OBG gets upgraded."
- Rep. Rogers (D-Mentor-on-the-Lake) asked Melinda Frank about cash flow to municipalities from net profits. Frank explained that municipalities receive revenues from net profits over the course of the entire year and that substantial cash flow interruption would affect bond payments, daily financial obligations and could force municipalities to borrow money.
- Rep. Schaffer (R-Circleville) wanted to know how something like the Maryland disaster could occur. Frank explained that the state simply cannot have the same level of scrutiny over the collection and distribution of revenues as municipalities can.
- Rep. Scherer asked Mr. Zaino about the shift of municipal net profits from a municipal tax to a state tax. Zaino said shifting the municipal net profit tax to Chapter 57 in the ORC did not make it a state tax because it does not authorize the state to spend the money. Article 12 of the Ohio Constitution says the state can only spend money for the purpose for which it was levied. He did not speak to the General Assembly's legislative authority to increase the administration fee (the portion of the revenues the state is "authorized" to spend) or to eliminate the tax entirely once it is moved from Section 718.
- Rep. Patmon (D-Cleveland) spoke to a municipality's bond credit rating being directly link to its revenue and expressed concern that loss of control of revenues would harm municipal bond ratings. He asked for details on how exactly this loss of control would affect municipal bond ratings and cautioned against "unintended

consequences."

- Rep. Cera asked that the committee be sent a breakdown of how ODT plans to implement this proposal and exactly how the money from the administration fee would be spent.

The House Ways and Means hearings on HB 49 have officially concluded. The House Finance Committee will begin hearings on the bill next week.

PRESIDENT TRUMP'S FEDERAL BUDGET PROPOSAL IMPACTFUL TO OHIO MUNICIPALITIES

Last week, the National League of Cities (NLC) held its annual Congressional Cities Conference in Washington D.C. which was attended by over 600 municipal officials from across the state including OML Executive Director Kent Scarrett, league legal counsel Garry Hunter and nearly 70 municipal officials from the Buckeye state.

The five-day event was an opportunity for league staff and municipal officials to learn more about issues impacting municipalities on the local, state and federal level while dedicating one day for meeting members of Congress on the Hill and pressing issues important to local communities. The congressional meetings were also a wonderful opportunity to educate members of congress on issues presented in President Trump's first budget proposal impacting cities and villages.

The league appreciates the meetings that we participated in with members of Ohio's delegation that included visits with Senator Rob Portman, Reps. Bob Gibbs, Joyce Beatty and Warren Davidson. We appreciate the time afforded our visits and the interesting dialogue surrounding many municipal issues.

The unveiling of President Trump's Federal budget proposal a mixture of good and bad for Ohio's communities. The budget revealed cuts amounting to billions of dollars from domestic program funding, as well as increased programs to several vital initiatives that invest in municipalities.

First let's examine the cuts. These programs are vital to ensuring cities across the United States can grow and prosper. These cuts threaten the hard-won progress many local communities have made. We are asking Ohio's municipalities to take a stand against these devastating blows to the vitality and growth of our cities and villages. These Federal dollars fund programs that municipalities simply cannot make up for. They include:

- Cutting \$6.2 billion to Housing and Urban Development (HUD) would mean the elimination of programs that finance revitalization projects for local communities. This includes the \$3 billion dedicated to fund **Community Development Block Grants (CDBG)**, which provides affordable housing and economic development, and the Low Income Housing Energy Assistance Program (LIHEAP), which keeps thousands of Ohio homes heated in the winter.
- The elimination of the tax-exempt status for **Municipal bonds** which threaten municipalities ability to leverage public funds for critical infrastructure and capital improvement projects.
- Cutting \$2.4 billion the **Department of Transportation** includes limiting the Federal Transit Authority's capital investment program for public transit, cutting back the funds that enable thousands of Ohioans to travel to and from work and school each day.
- Cutting \$2.6 billion to the **US Environmental Protection Agency (EPA)** would mean the loss of over two dozen programs, including the **Great Lakes Restoration Initiative**, impacting the Ohio communities along Lake Erie. The initiative, currently funded at \$300 million would be cut to \$10 million in operating revenue. Federal funding is the Ohio EPA's second-largest source of revenue, accounting for about \$40 million of its \$200 million annual budget. The National Oceanic and Atmospheric Administration's **Sea Grant program**, which funds research on algal blooms, invasive species, and other issues facing Lake Erie, would also be terminated.

- Defund the **Appalachian Regional Commission**, which spent nearly \$10 million on economic development programs in Ohio's 32 Appalachian counties since October, 2015.
- Cutting **Federal Emergency Management Agency (FEMA)** state and local grant funding by \$667 million, reducing disaster assistance to afflicted cities.
- Cutting \$1.5 billion to the **Department of Commerce** includes eliminating the Economic Development Administration and the Minority Business Development Agency, meaning the loss of crucial economic development grants.
- Cutting \$4.7 billion to the **Department of Agriculture** includes eliminating the water and wastewater loan and grant program, which would force rural communities to use private financing and state programs.
- Eliminating the **Manufacturing Extension Partnership**, cutting assistance to small manufacturers and damaging an important aspect of economic development in our municipalities.
- Cuts to **Community Oriented Policing Services (COPS)** grants, meaning fewer resources that enable municipalities to provide law enforcement for safer, stronger communities.

But the Federal budget proposal also allocates funds issues that are crucially important to local communities. These include:

- A proposed \$500 million increase in **opioid prevention and treatment** for the Health and Human Services Department and the Justice Department as a two-pronged investment to counter and reduce the epidemic.
- An investment of \$4.4 billion in **Veterans Affairs**, specifically targeting ever-increasing health-care costs.
- U.S. EPA boost in appropriations for improving local drinking and wastewater infrastructure by about \$4 million.
- A \$1.4 billion increase to expand **school choice programs**.

These increased funds indicate an important investment in issues that have too long plagued the most vulnerable in our local communities. On the other hand, the cuts would be a great challenge to the federal-local partnerships that have become a crucial part of investing in and revitalizing our states, local communities, and families.

We urge our members to contact your members of Congress and let them know Ohio municipalities support increased funding for important local issues and stand opposed to cuts in crucial local programs. We believe our local communities are worth the investment.

We are providing a link to a sample letter, produced by our federal advocates at the National League of Cities (NLC), which league members may want to consider when communicating with their Federal representatives. NLC model action letter is at: <http://www.nlc.org/FightTheCuts>

OML members may also be interested in these additional resources from NLC which include: NLC Article in response to the budget: <https://citiesspeak.org/2017/03/17/city-leaders-will-fight-the-cuts-because-cities-are-worth-fighting-for/> and NLC President Matt Zone article in The Hill Magazine: <http://thehill.com/blogs/congress-blog/economy-budget/324775-congress-its-time-to-fight-for-cities>.

TRANSPORTATION BUDGET LIKELY HEADED FOR CONFERENCE

The General Assembly is readying HB 26 the Transportation Budget for conference committee. A conference committee occurs when the House Speaker and Senate President choose to create one, after both chambers have passed the same bill with different language. The Senate passed their version of the Transportation Budget on Wednesday afternoon after the Senate Transportation, Commerce and Workforce Committee passed the bill that morning.

Before voting, Committee Chairman Frank LaRose (R-Copley) offered and the Committee accepted a substantial omnibus amendment. LaRose stated that he had three goals in this budget: to invest in and maintain the state's existing transportation infrastructure, to invest in public transportation, and to provide local governments with additional funding for roads and bridges.

Highlights of the omnibus amendment impactful to municipalities include provisions that:

- created a floor of \$3.50 and ceiling of \$5.25 for the deputy registrar fee that can be set by the Bureau of Motor Vehicles. The House had raised the fee to \$5.25. The Senate version would allow the Bureau to raise or lower the fee at their discretion through the administrative rule-making process.
- gave transit authorities an additional approximately \$30 million in funds from the Volkswagen Emissions Mitigation Trust Fund for the purpose of purchasing rolling stock.
- incorporated SB 6, introduced by Senator Frank Hoagland (R-Adena), that would codify the Ohio Bridge Partnership Program.
- added approximately \$48 million over the next two years for local roads and bridges projects through the Public Works Commission's Local Transportation Improvement Program.
- added \$15 million in public transit subsidies.
- removed a House provision that would have made failure to display a front license plate a secondary offense only.

The League would like to thank the many people who continue to work hard to put this budget together. Overall, we are happy that funds are being increased for local transportation. However, we are still disappointed that only counties are allowed to assess additional license plate fees under this budget. Municipalities and townships should also be allowed to levy this fee, or at least have some mechanism, to help fill the desperate need for local transportation dollars.

The Transportation Budget must be passed 90 days prior to July 1-which is March 30th. Senate President Larry Obhof (R-Medina) announced his intention to convene conference committee on March 27 while the Speaker has not commented on the date as of this writing.

Senate Transportation Budget Documents:

Full Comparison Document [HERE](#)

Summary of Senate Changes [HERE](#)

LSC analysis [HERE](#)

MEDICAL MARIJUANA CONTROL PROGRAM RELEASES PROPOSED RULES

This week, the Medical Marijuana Control Program released a number of proposed rules to the Joint Committee on Agency Rule Review. Municipalities across the state have expressed great concern about the uncertainties surrounding the medical marijuana laws in Ohio. These initial proposals can be viewed here: <http://www.medicalmarijuana.ohio.gov/rules>

On May 5 in Hilliard, Ohio, the Ohio Association of Public Safety Directors, a League affiliate organization, will be hosting officials from the Ohio Department of Commerce and the Ohio Pharmacy Board to discuss the new rules and expectations for the future. Details on this conference are available by emailing: jbrown@omloho.org.

NEARLY 80 OHIO MUNICIPALITIES JOIN IN TELECOM LAWSUIT

Nearly 80 Ohio municipalities have filed lawsuits against the State of Ohio over a wireless equipment law which was passed during the lame duck session of the General Assembly last year. Companies such as AT&T made significant promises to legislators that passing this legislation would usher in new jobs and network modernization. However, the legislature decided to move the legislation extremely quickly and attached it to SB 331, which contained multiple subjects. The League, along with other interested parties, has been working to clarify what the legislation's effects will be and what to expect going forward.

Meanwhile, the courts will decide the fate of the original legislation. The legislation likely infringes on municipalities' constitutional Home Rule authority and likely violates the "single subject rule" which requires that all Ohio legislation (other than appropriations) address a single subject.

To offer an example of the complaints filed, we are attaching the City of Cleveland's complaint [HERE](#).

TAX INCREMENT FINANCING (TIF) BILL RECEIVES THIRD HEARING

This week, the House State and Local Government Committee heard testimony on HB 69, which 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. The bill was introduced by Representative Bob Cupp (R-Lima). We have provided a link to the sponsor's testimony [HERE](#). Testimony that has been presented to the House State and Local Government Committee on this subject in addition to access to the bill's text, legislative analysis and fiscal impact statement is available on the committee's website at: <http://www.ohiohouse.gov/committee/state-and-local-government>.

The League has not taken a position on the bill but does have some comments. First, to the extent that this adds another exemption from TIF financing, it has the potential to reduce the efficacy of a TIF. Concerns have been expressed that this proposal could make TIF's a less attractive economic development incentive. Secondly, there is concern that the proposal gives townships a stronger negotiating position in the process of creating TIF's, because the Township has a choice whether to accept or refuse the reimbursement; i.e., it gives them another chip to bargain with.

Generally, we are not sure how significant this is in isolation. However, it is part of a disturbing trend where the state gives certain preferences to empower townships over municipalities, despite the fact that municipalities are the primary public engine of economic development.

ACTIONS ON BILLS AFFECTING MUNICIPALITIES

All of the bill's discussed can be accessed, including analysis and fiscal impact statements via the Ohio Legislative Service Commission's (LSC) website: <http://www.lsc.ohio.gov>.

Several bills received actions this week that effect municipalities. First, SB 37, introduced by Senator 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, was passed unanimously out of the Senate this week. The League did not submit testimony on the bill but asked for some amendments that were not adopted.

Next, the Committee heard testimony on HB 34, introduced by Representatives 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 Committee took testimony from Shelley Davis, Administrator of the Cuyahoga County Board of Revision, who said the bill could save her agency a large amount of money.

Next, the House State and Local Government Committee heard sponsor testimony on HB 121, which was introduced by Representative Jay Edwards (R-Nelsonville) and would require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. The League opposes the bill because it would forbid municipalities from passing ordinances that exclude PVC piping from bidding in these types of RFP's.

Lastly, the Senate Local Government, Public Safety and Veterans Affairs Committee heard sponsor testimony on SB 60, which was introduced by Senators Michael Skindell (D-Lakewood) and Kris Jordan (R-Ostrander) and would regulate the use of drones for gathering evidence and information by law enforcement officers in Ohio. Skindell said, "The legislation states that, with rare exceptions, law enforcement must obtain search warrants ... based on probable cause... The bill outlines rare instances where drones may be used without obtaining a warrant (emergency situations), and details the post-search application process necessary in these situations. It also provides other limited situations where drones may be used to collect information such as traffic accidents and aiding in locating missing persons whose health or mental state creates

the need for such use. Finally, the legislation also provides stringent annual reporting requirements regarding drone use by law enforcement agencies, judges and the attorney general."

FIRST RESPONDERS PTSD MANDATE PROPOSED TO BWC BUDGET BILL

The Workers Compensation Budget HB 27, introduced by Representative Tom Brinkman (R-Mt. Lookout), received a hearing this week in the House Insurance Committee. Proponent testimony was offered to promote a provision that would allow "mental-mental" claims for cases of PTSD claims among first responders. The proposal (presumably) would change a century-old precedent that a physical injury must accompany any mental claims (i.e., physical-mental), as workers compensation exists to cover only work-related injuries.

Testimony of this nature was given by the Ohio Association for Justice (OAJ) (an association of trial lawyers), the Ohio Psychiatric Physicians Association, and the Fraternal Order of Police. Also, Speaker Cliff Rosenberg (R-Clarksville) was quoted as saying such a provision could proceed as an amendment in this bill, while Senators Frank LaRose (R-Copley) and Edna Brown (D-Toledo) introduced a bill to this effect yesterday (Thursday).

The League has opposed bills to this effect in the past for a several reasons and continues to be concerned if such an amendment were added to the budget package. We have not seen the language of the current proposal, but previous proposals of this sort drew members concern due to:

- a lack of adequate fraud protections.
- costs to employers would be very significant.
- the lack of a satisfactory explanation as to why current treatment options are insufficient.

We have not prepared materials related to this specific proposal, but click [HERE](#) for our letter on this issue, written when this concept was introduced as SB 5.

HEARINGS HELD ON FISCAL EMERGENCY BILL

The Senate Government Oversight and Reform Committee heard proponent testimony on SB 88. The bill was introduced by Senator Lou Terhar (R-Green Township) and 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. Testifying in support was Ohio State Auditor Dave Yost who largely repeated his testimony on an identical bill in the House on HB 103, which was introduced by Representative Bill Reineke (R-Tiffin).

Yost said "Local governments make up the majority of the commission under current system, which frankly is a problem . . . HB103 brings greater objectivity to the commission." The bill makes a number of changes that would reduce the influence-upon the commission-of the jurisdiction in fiscal emergency.

BILLS INTRODUCED THIS WEEK OF MUNICIPAL CONCERN

SB118 PTSD TREATMENT-FIRST RESPONDERS - To make peace officers, firefighters, and emergency medical workers diagnosed with post-traumatic stress disorder arising from employment without an accompanying physical injury eligible for compensation and benefits under Ohio's Workers' Compensation Law for up to one year and to prohibit such a person from receiving a disability benefit from a state retirement system for post-traumatic stress disorder arising from employment without an accompanying physical injury during the time period the person receives compensation and benefits under the Workers' Compensation Law for the disorder.

Introduced LaRose, F Brown, E

HB139 PUBLIC RECORD DISCLOSURE EXEMPTIONS - To eliminate the public disclosure exemption for any permanently retained record 100 years after the date of its creation.

Introduced Perales, R Keller, C

SB103 COUNTY EMERGENCY MANAGEMENT PROGRAMS - To permit a board of county commissioners, as an alternative to entering into an agreement to establish a countywide emergency management agency, to enter into a contract of not longer than four years with the county sheriff or a chief of a fire department that has countywide authority to implement a countywide emergency management program.
Introduced Coley, W

PRELIMINARY COMMITTEE SCHEDULE FOR THE WEEK OF MARCH 26, 2017

Monday, March 27, 2017

CONTROLLING BOARD

Mon., Mar. 27, 2017, 1:30 PM, North Hearing Room
Christine Morrison: 614-466-5721

JOINT COMMITTEE ON AGENCY RULE REVIEW

Mon., Mar. 27, 2017, 1:30 PM, Hearing Room 121
Larry Wolpert: 614-466-4086

CONFERENCE COMMITTEE ON HB26

Mon., Mar. 27, 2017, 3:00 PM, Hearing Room 313
Rep. Ryan Smith: 614-466-1366

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, Conference Committee, AMENDMENTS/POSSIBLE VOTE

Tuesday, March 28, 2017

HOUSE FINANCE

Tue., Mar. 28, 2017, 9:00 AM, Hearing Room 313
Rep. Smith: 614-466-1366

HB28 INDUSTRIAL COMMISSION BUDGET (BRINKMAN T) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of Commission programs.

First Hearing, Sponsor Testimony, AMENDMENTS/POSSIBLE VOTE

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

Sixth Hearing, All Testimony

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Mar. 28, 2017, 9:00 AM, Hearing Room 122
Rep. Dever: 614-466-8120

SB29 BANKING LAW (COLEY W, OELSLAGER S) To enact a new banking law for the State of Ohio.

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.

Second Hearing, Proponent Testimony, SUBSTITUTE BILL

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

Second Hearing, Proponent Testimony

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.

Second Hearing, Proponent Testimony, AMENDMENTS

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.

Second Hearing, Proponent Testimony, AMENDMENTS

HOUSE WAYS AND MEANS

Tue., Mar. 28, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

HB124 VOCATIONAL SCHOOL TAX LEVY (BRENNER A, CARFAGNA R) To authorize a joint vocational school district to submit the question of a renewal tax levy to voters who did not have an opportunity to vote on the levy at an election held in November of 2015 because the levy was only placed on the ballot in one of several counties in which the district has territory.

First Hearing, Sponsor/Proponent Testimony

HB116 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.

Second Hearing, Proponent Testimony

HB118** TAX COMPLAINT DISMISSAL (MERRIN D) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.

Second Hearing, Proponent Testimony

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.

Third Hearing, All Testimony, SUBSTITUTE BILL/POSSIBLE VOTE

SENATE INSURANCE AND FINANCIAL INSTITUTIONS

Tue., Mar. 28, 2017, 9:30 AM, Senate Finance Hearing Room

Sen. Hottinger: 614-466-5838

Governor's appointment:

- Phillip Buell to the Credit Union Council

SB87 HEALTH INSURANCE-DENTAL FEES (HACKETT R, HUFFMAN M) To prohibit a health insurer from establishing a fee schedule for dental providers for services that are not covered by any contract or participating provider agreement between the health insurer and the dental provider.

First Hearing, Sponsor Testimony

SB93 HEALTH INSURANCE-HEARING AIDS (BROWN E) To require health insurers to offer coverage for hearing aids.

First Hearing, Sponsor Testimony

SB91 OHIO HEALTH CARE PLAN (SKINDELL M, TAVARES C) To establish and operate the Ohio Health Care Plan to provide universal health care coverage to all Ohio residents.

First Hearing, Sponsor Testimony

SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS

Tue., Mar. 28, 2017, 9:45 AM, South Hearing Room

Sen. Uecker: 614-466-8082

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.

Third Hearing, All Testimony

SB59 BICYCLE USE-HELMETS (SKINDELL M) To require bicycle operators and passengers under 18 years of age to wear protective helmets when the bicycle is operated on a roadway and to establish the Bicycle Safety Fund to be used by the Department of Public Safety to assist low-income families in the purchase of bicycle helmets.

First Hearing, Sponsor Testimony

SB86 DAY DESIGNATION-MISSING CHILDREN (HACKETT R) To designate the twenty-fifth day of May as "Ohio National Missing Children's Day."

Second Hearing, Proponent Testimony

SB92 TRAFFIC OFFENSES-LICENSE PLATES (THOMAS C) To specify that failure to display a license plate on the front of a motor vehicle that is required to display a front license plate is a secondary traffic offense, to establish a maximum fine of \$25 for such an offense, and to name this act the "DuBose Was A Beacon Act."

First Hearing, Sponsor Testimony

- SB68** UNSAFE USED TIRES PROHIBITION (LAROSE F, HITE C) To prohibit the installation of unsafe used tires on certain motor vehicles.
Second Hearing, Proponent Testimony
- HB9** MALFUNCTIONING LIGHTS-BICYCLES (KOEHLER K) 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.
First Hearing, Sponsor/All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE JUDICIARY

Tue., Mar. 28, 2017, 10:15 AM, North Hearing Room

Sen. Bacon: 614-466-8064

- 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.

Third Hearing, All Testimony

- SB81** CONCEALED CARRY LICENSURE-VETERANS (TERHAR L) To waive the concealed carry license fee for active members of the armed forces and retired and honorably discharged veterans, to accept military experience with firearms as proof of competency with firearms regardless of when the applicant for a license acquired the experience, to permit a licensee to renew a concealed handgun license at any time before the expiration of the license, and to require the Attorney General to monitor the number of license fees waived and cap the total amount allowed to be waived at \$1.5 million.

First Hearing, Sponsor Testimony

- SB70** CHILD SUPPORT CHANGES (COLEY W) To amend the child support laws.

First Hearing, Sponsor 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.

Third Hearing, All Testimony

- HB1** 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.

Second Hearing, Proponent 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.

Third Hearing, All Testimony

OHIO HOUSE

Tue., Mar. 28, 2017, 11:00 AM, House Chambers

CANCELLED

HOUSE RULES AND REFERENCE

Tue., Mar. 28, 2017, 11:00 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

SENATE RULES AND REFERENCE COMMITTEE

Tue., Mar. 28, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

CANCELLED

OHIO SENATE

Tue., Mar. 28, 2017, 1:30 PM, Senate Chambers

CANCELLED

HOUSE EDUCATION AND CAREER READINESS

Tue., Mar. 28, 2017, 4:00 PM, Hearing Room 121

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

Second Hearing, Proponent Testimony

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."

Second Hearing, Proponent Testimony

HOUSE FEDERALISM AND INTERSTATE RELATIONS

Tue., Mar. 28, 2017, 4:00 PM, Hearing Room 115

Rep. Roegner: 614-466-1177

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.

Second Hearing, Proponent Testimony

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.

Fourth Hearing, All Testimony

Wednesday, March 29, 2017

HOUSE FINANCE

Wed., Mar. 29, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

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

Seventh Hearing, All Testimony

HOUSE HEALTH

Wed., Mar. 29, 2017, 9:00 AM, Hearing Room 121

Rep. Huffman: 614-4668114

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.

Third Hearing, Opponent Testimony

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

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

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."

Third Hearing, Opponent Testimony

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.

Second Hearing, All Testimony, POSSIBLE VOTE

HOUSE TRANSPORTATION AND PUBLIC SAFETY

Wed., Mar. 29, 2017, 9:00 AM, Hearing Room 017

Rep. Green: 614-644-6034

HB60 DRIVER'S LICENSES-INTERNATIONAL (HAMBLEY S, ROGERS J) To authorize the issuance of an enhanced driver's license, enhanced commercial driver's license, and enhanced identification card to facilitate land and sea border crossings between the United States and Canada and Mexico, pursuant to an agreement with the United States Department of Homeland Security.

Second Hearing, Proponent Testimony

HB95 DISTRACTED DRIVING PENALTY (HUGHES J, SEITZ B) To establish an enhanced penalty for committing a moving violation while distracted if the distraction is the apparent cause of the violation and to reenact provisions of law that specified that certain electronic wireless communications device violations were allied offenses of similar import.

Second Hearing, Proponent Testimony

HB107 FREIGHT TRAIN CREWS (SHEEHY M, LEPORE-HAGAN M) To require the crews of freight trains to consist of at least two individuals.

First Hearing, Sponsor Testimony

HOUSE GOVERNMENT ACCOUNTABILITY AND OVERSIGHT

Wed., Mar. 29, 2017, 9:30 AM, Hearing Room 114

Rep. Blessing III: 614-466-9091

HB18** SPECIAL ELECTION REQUIREMENTS (PELANDA D, RETHERFORD W) 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.

Third Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

HB87 COMMUNITY SCHOOL PUBLIC MONEYS (ROEGNER K) Regarding public moneys returned to the state as a result of a finding for recovery issued pursuant to an audit of a community school.

First Hearing, Sponsor Testimony

HB41 VOTING PROCESS (PELANDA D) To modify the law concerning challenges to voter registrations, the appointment of observers, and the procedures for processing absent voter's ballots and for casting absent voter's ballots in person.

Third Hearing, All Testimony

HB8 PUBLIC RECORDS-MINORS (HAMBLEY S, REZABEK J) 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.

Third Hearing, All Testimony

SENATE GOVERNMENT OVERSIGHT AND REFORM

Wed., Mar. 29, 2017, 9:45 AM, Senate Finance Hearing Room

Sen. Coley: 614-466-8072

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

Fifth 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.

Fifth Hearing, All Testimony, POSSIBLE VOTE

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.

Fourth Hearing, All Testimony, POSSIBLE VOTE

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.

Third Hearing, All Testimony, POSSIBLE VOTE

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.

Second Hearing, Proponent Testimony

HOUSE RULES AND REFERENCE

Wed., Mar. 29, 2017, 10:45 AM, Hearing Room 119

Rep. Rosenberger: 614-466-3506

SENATE RULES AND REFERENCE COMMITTEE

Wed., Mar. 29, 2017, 11:00 AM, Senate Majority Conference Room
Sen. Obhof: 614-466-7505

OHIO SENATE

Wed., Mar. 29, 2017, 1:30 PM, Senate Chambers

OHIO HOUSE

Wed., Mar. 29, 2017, 1:30 PM, House Chambers

SENATE ENERGY AND NATURAL RESOURCES

Wed., Mar. 29, 2017, 2:30 PM, Senate Finance Hearing Room
Sen. Balderson: 614-466-8076

OR AFTER SESSION

Governor's appointment: Brandon Calhoun to the Technical Advisory Council on Oil and Gas

SB51** LAKE ERIE IMPROVEMENT DISTRICT (SKINDELL M, EKLUND J) To authorize the creation of a special improvement district to facilitate Lake Erie shoreline improvement.

Second Hearing, Proponent Testimony

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

SB69 MONTH DESIGNATION - BOATING (GARDNER R, MANNING G) To designate June as "Ohio Goes Boating Month."

First Hearing, Sponsor Testimony

SR59 SOO LOCKS FEDERAL UPGRADE (DOLAN M, LAROSE F) To encourage the President and the Congress of the United States and the United States Office of Management and Budget to support plans to upgrade the Soo Locks at Sault Ste. Marie, Michigan, and encourage the United States Army Corps of Engineers to take expeditious action in preparing an Economic Reevaluation Report.

First Hearing, Sponsor Testimony

SENATE EDUCATION

Wed., Mar. 29, 2017, 3:15 PM, South Hearing Room
Sen. Lehner: 614-466-4538

Presentation by Waterford Institute.

SB82 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.

Second Hearing, Proponent Testimony

HOUSE COMMUNITY AND FAMILY ADVANCEMENT

Wed., Mar. 29, 2017, 4:00 PM, Hearing Room 114
Rep. Ginter: 614-466-8022

HB126 KINSHIP CAREGIVER PROGRAMS (BOYD J, REZABEK J) To require a region-based kinship caregiver navigator program.

First Hearing, Sponsor Testimony

HB119 SNAP AND MEDICAID BENEFITS (HENNE M, MCCOLLEY R) Regarding eligibility and benefits under the Supplemental Nutrition Assistance program and the Medicaid program.

First Hearing, Sponsor Testimony

HB64 EXPUNGEMENT-MISTAKEN IDENTITY (SCHURING K, REECE A) To provide for the expungement of official records related to the apprehension, arrest, criminal charging, or trial of a person based on mistaken identity.

First Hearing, Sponsor Testimony

HB115 DATABASE-PERSONS WITH COMMUNICATION DISABILITY (GAVARONE T, WIGGAM S) To establish a database of persons who voluntarily register as being diagnosed with a communication disability or who voluntarily register a minor child or ward as the parents or guardians of such persons for purposes of law enforcement notification.

Second Hearing, Proponent Testimony

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

Fourth Hearing, All Testimony

Thursday, March 30, 2017

HOUSE FINANCE

Thu., Mar. 30, 2017, 9:00 AM, Hearing Room 313

Rep. Smith: 614-466-1366

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

Eighth Hearing, All Testimony

OHIO HOUSE

Thu., Mar. 30, 2017, 11:00 AM, House Chambers

EMIS ADVISORY BOARD

Thu., Mar. 30, 2017, 1:00 PM, Hearing Room 121

Rep. Andrew Brenner: 614-644-6711

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



Legislative Bulletin

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. Arndt 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. Arndt 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 OBG 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
	Mon., Mar. 20, 2017, 3:00 PM, Senate Finance 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.
	Sixth Hearing, All Testimony, SUBSTITUTE BILL
Tuesday, March 21, 2017	

SENATE HEALTH, HUMAN SERVICES AND MEDICAID

Tue., Mar. 21, 2017, 3:15 AM, South Hearing Room

Sen. Burke: 614-466-8049

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

Tue., Mar. 21, 2017, 9:00 AM, Hearing Room 017

Rep. Dever: 614-466-8120

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

Tue., Mar. 21, 2017, 9:00 AM, Hearing Room 121

Rep. Schaffer: 614-466-8100

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
HB116	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.
	First Hearing, Sponsor Testimony
HB118**	TAX COMPLAINT DISMISSAL (MERRIN D) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.
	First Hearing, Sponsor Testimony
	Report(s): My Tracked Bills, OML Legislative Report
HB49**	OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
	Sixth Hearing, All Testimony

	SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
	Tue., Mar. 21, 2017, 9:00 AM, Senate Finance 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.
	Seventh Hearing, All Testimony
	SENATE LOCAL GOVERNMENT, PUBLIC SAFETY AND VETERANS AFFAIRS
	Tue., Mar. 21, 2017, 9:45 AM, South Hearing Room
	Sen. Uecker: 614-466-8082
SB86	DAY DESIGNATION-MISSING CHILDREN (HACKETT R) To designate the twenty-fifth day of May as "Ohio National Missing Children's Day."
	First Hearing, Sponsor Testimony
SB60**	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.
	First Hearing, Sponsor Testimony
	Report(s): My Tracked Bills, OML Legislative Report
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.
	Second Hearing, Proponent Testimony
HB59	DAY DESIGNATION-MOSES WALKER (LELAND D, WEST T) To designate October 7 as "Moses Fleetwood Walker Day."
	First Hearing, Sponsor Testimony
	SENATE JUDICIARY
	Tue., Mar. 21, 2017, 10:15 AM, North Hearing Room
	Sen. Bacon: 614-466-8064
HB1	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.
	First Hearing, Sponsor Testimony
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.
	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 Rep. Rosenberger: 614-466-3506
	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 Rep. McColley: 614-466-3760
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
	Rep. Brenner: 614-644-6711
	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
	Rep. Roegner: 614-466-1177
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
	Rep. McColley: 614-466-3760
HB49**	OPERATING BUDGET (SMITH R) Creates FY 2018-2019 main operating budget.
	Eighth Hearing, All Testimony
	HOUSE HEALTH
	Wed., Mar. 22, 2017, 9:00 AM, Hearing Room 121
	Rep. Huffman: 614-4668114
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.
	Third Hearing, All 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.
	Fourth Hearing, All Testimony, POSSIBLE VOTE
SB62	DAY DESIGNATION-HARRISON DILLARD (YUKO K) To designate July 8 as "Harrison Dillard Day."
	Fourth 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.
	Fourth Hearing, All Testimony, POSSIBLE VOTE
	SENATE TRANSPORTATION, COMMERCE AND WORKFORCE

Wed., Mar. 22, 2017, 10:15 AM, Senate Finance 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.

Eighth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SENATE RULES AND REFERENCE COMMITTEE

Wed., Mar. 22, 2017, 11:00 AM, Senate Majority Conference Room

Sen. Obhof: 614-466-7505

OHIO HOUSE OF REPRESENTATIVES

Wed., Mar. 22, 2017, 1:30 PM, House Chambers

Brad Young, Clerk: 614-466-3357

OHIO SENATE

Wed., Mar. 22, 2017, 1:30 PM, Senate Chambers

Vincent Keeran, Clerk: 614-466-4900

HOUSE FINANCE STATE GOVERNMENT AND AGENCY REVIEW SUBCOMMITTEE

Wed., Mar. 22, 2017, 1:45 PM, Hearing Room 017

Rep. Faber: 614-466-6344

OR IMMEDIATELY AFTER SESSION

Testimony from the following:

- Department of Commerce
- Public testimony

HB49**

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

Twelfth Hearing, All Testimony

SENATE EDUCATION

Wed., Mar. 22, 2017, 3:15 PM, South Hearing Room

Sen. Lehner: 614-466-4538

Governor's appointments:

- Kara Morgan to the State Board of Education

SB85

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

SB82

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**



Legislative Bulletin

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> and can be 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](#).

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> . 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

Rep. Romanchuk: 614-466-5802

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

[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.

Fifth 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.

Fourth 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.

Fourth Hearing, All Testimony, AMENDMENTS/POSSIBLE VOTE

SB76

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

Rep. Rosenberger: 614-466-3506

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

Rep. McColley: 614-466-3760

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.

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.

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

Rep. Brenner: 614-644-6711

[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

Rep. Thompson: 614-644-8728

[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

Rep. McColley: 614-466-3760

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

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.

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

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.

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

Rep. Duffey: 614-644-6030

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

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

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

Rep. Butler, Jr.: 614-644-6008

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

Rep. Anielski: 614-644-6041

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

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.

Second Hearing, All Testimony

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

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

Second Hearing, All Testimony

HB94

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

First Hearing, Sponsor Testimony

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.

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

Rep. Romanchuk: 614-466-5802

OR AFTER SESSION

Committee will take public testimony on the following topics:

- Developmental disabilities
- Insurance and health care
- Job and family services

HB49**

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

Rep. Johnson: 614-466-2124

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

Rep. Thompson: 614-644-8728

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

Rep. Romanchuk: 614-466-5802

OR AFTER MEETING OF JOINT MEDICAID OVERSIGHT COMMITTEE

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



Legislative Bulletin

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.

<https://www.forbes.com/sites/petertaylor/2017/02/20/why-ohio-is-the-best-state-in-america-to-launch-a-start-up/#2efefaa71d94>

<https://www.forbes.com/sites/jeffkauflin/2017/02/24/the-best-cities-for-health-care-jobs/#51e29a9d55bf>

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 in states per capita,
- 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 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.

- A link to the Dispatch article can be found here: <http://www.dispatch.com/news/20170301/ohio-2nd-in-economic-development-report-columbus-finishes-8th>
- Jobs Ohio's Governor's Cup Release: <http://jobs-ohio.com/news/2017-news/ohio-dominates-site-selections-2016-governors-cup-rankings/>
- Full Governor's Cup Information: http://siterelection.com/press/releases/170301_Governors_Cup_2016.htm

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!

More information here: <http://berkeleyspringswatertasting.com/winners/>

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. (Heroin, 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.

The guidance document related to the HB 512 mapping requirement: http://epa.ohio.gov/Portals/28/documents/pws/PWS-04-001_01-06-2017.pdf

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

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Lazarus Government Bldg.
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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

Rep. Dever: 614-466-8120

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
Rep. Rosenberger: 614-466-3506

HOUSE STATE AND LOCAL GOVERNMENT

Tue., Mar. 7, 2017, 1:00 PM, Hearing Room 122
Rep. Anielski: 614-644-6041

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

HOUSE CRIMINAL JUSTICE

Tue., Mar. 7, 2017, 1:30 PM, Hearing Room 114
Rep. Manning: 614-644-5076

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

Rep. Young: 614-644-6074

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

Rep. Brenner: 614-644-6711

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

Rep. Roegner: 614-466-1177

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 (RETFERFORD 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 (RETFERFORD W) To enter into the Health Care Compact.

First Hearing, Sponsor Testimony

Wednesday, March 8, 2017

HOUSE FINANCE TRANSPORTATION SUBCOMMITTEE

Wed., Mar. 8, 2017, 9:00 AM, Hearing Room 121

Rep. McColley: 614-466-3760

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

Rep. Dever: 614-466-8120

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

Rep. Duffey: 614-644-6030

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

H

HOUSE ARMED SERVICES, VETERANS AFFAIRS AND HOMELAND SECURITY

Wed., Mar. 8, 2017, 4:00 PM, Hearing Room 116

Rep. Johnson: 614-466-2124

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

Rep. Butler, Jr.: 614-644-6008

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

Rep. Ginter: 614-466-8022

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**



Legislative Bulletin

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 centralization 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 based LGF distributions on tax-capacity- based measures. This would create arbitrary winner 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 an 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. 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:
<http://ohiochannel.org/video/the-state-of-ohio-2-17-2017>

Discussion of Budget in Columbus Dispatch:

<http://www.dispatch.com/news/20170218/kasichs-new-local-funding-plan-draws-criticism>

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

Rep. Young: 614-644-6074

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
- Alan Stockmeister, to the Ohio State University Board of Trustees
- Uwe Eickert and John Hoty to the Terra State Community College Board of Trustees
- Linda McNew Nelson to the North Central State Community College Board of Trustees
- Darryl Mehaffie and Thomas Milligan to the Edison State Community College Board of Trustees
- Edwin Nagle III and H. Richard Rowe Jr. to Owens State Community College Board of Trustees
- Bradley Schwartz, Ronald Vanderhaar and Thomas Shepherd to the Financial Planning and Supervision Commission for the City of Norwood
- Susan Tate to the Higher Educational Facility Commission

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
Rep. McColley: 614-466-3760
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/All 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
Rep. Duffey: 614-644-6030

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



Legislative Bulletin

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:

Explanation of Proposed LGF Reforms: http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/lgf/Steps_used_to_derive_LGF_capacity-driven_distributions_13-Feb-2017.pdf

Distributions for Cities: http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/lgf/City_LGF_simulation_table_10-Feb-2017.pdf

Distributions for Villages with Income Taxes: http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/lgf/Villages_with_income_tax_LGF_simulation_table_13-Feb-2017.pdf

Distributions for Villages with NO Income Taxes: http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/lgf/Villages_without_income_tax_LGF_simulation_table_13-Feb-2017.pdf.

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. 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 are 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 \$100,00 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 ludicrous 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-Maderia) 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

Rep. Cupp: 614-466-9624

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



Legislative Bulletin

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](#)
- Budget in Brief (LGF discussed on page 2): <http://www.lsc.ohio.gov/fiscal/budgetinbrief132/budgetinbrief-hb49-in.pdf>
- Budget in Detail (LGF Discussed on Page 69): <http://www.lsc.ohio.gov/fiscal/bid132/budgetindetail-hb49-in.pdf>

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 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 OBG 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's 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 municipality's 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 its 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 additional \$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



Legislative Bulletin

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) 18-19 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 FY18, down 2% from FY17. In FY19, total funding is slated to be \$3.2 billion, down 3.7% from FY18. 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.

[House Committees](#)
[Senate Committees](#)

NEW BILLS INTRODUCED THAT AFFECT MUNICIPALITIES

HB 1	<p>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.</p> <p>Introduced</p>	Sykes, E Manning, N
HB 3	<p>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.</p> <p>Introduced</p>	Duffey, M Hagan, C
HB 4	<p>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.</p> <p>Introduced</p>	Rogers, J
HB 6	<p>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.</p> <p>Introduced</p>	Pelanda, D Gavarone, T
HB 8	<p>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.</p> <p>Introduced</p>	Hambley, S Rezabek, J
HB 9	<p>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.</p> <p>Introduced</p>	Koehler, K
HB 18	<p>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.</p> <p>Introduced</p>	Pelanda, D Retherford, W
HB 19	<p>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.</p> <p>Introduced</p>	Blessing III, L Landis, A
HB 26	<p>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.</p> <p>House Finance, (First Hearing)</p>	McColley, R
HB 27	<p>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.</p> <p>Introduced</p>	Brinkman, T

HB 29	MUNICIPAL WATER RESERVOIR BUFFERS - To eliminate law authorizing the maintenance of buffers around municipal water reservoirs by contiguous property owners. Introduced	Leland, D Boggs, K
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	Hoagland, F
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	Tavares, C
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	Tavares, C
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	Thomas, C

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
Rep. McColley: 614-466-3760

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
Rep. Rosenberger: 614-466-3506

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
Rep. McColley: 614-466-3760

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

Rep. McColley: 614-466-3760

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



Legislative Bulletin

Special Bulletin: Centralized Collection

January 30, 2017

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.



Legislative Bulletin

January 27, 2017

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

On Wednesday, state Auditor David Yost held a press conference to announce the completion of a new report: “Financial Health Indicators.” The report can be accessed here: <http://ohioauditor.gov/fhi/>.

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>

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](#) 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:

Kaelee DeLisle

Grant Writing USA

Grant Management USA

888.435.7281 toll free direct (CST)

702.858.4632 (CST)

kaelee@grantwritingusa.net

<http://GrantWritingUSA.com>



Legislative Bulletin

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 Mobilite](#) (click link to read petition) regarding local government rules and procedures. Mobilite 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.



Legislative Bulletin

January 20, 2017

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:

<http://www.greaterohio.org/files/pdf/water-and-sewer-infrastructure-report.pdf>

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](#)

- Email form: cgrant@omloho.org

- or Mail form: 175 S. Third St. Suite 510 Columbus, OH 43215

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)

- Finance Subcommittees

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)

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

State & Local Government

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

Ways & Means

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

Transportation & Public Safety

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.



Legislative Bulletin

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 plans 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.