



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