

THE STATEHOUSE REPORT

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Capital budget bill increases flexibility in selection process for design professionals

Continuing law requires counties and other public authorities to use a qualifications-based selection process when retaining an architect, landscape architect, surveyor, and/or professional engineer to produce plans and designs (ORC 153.65-153.72). The law prohibits a county from requiring any form of fee estimate, fee proposal, or other estimate or measure of compensation prior to selecting and ranking professional design firms, unless a state agency has previously selected and ranked firms for a project (ORC 153.691). Counties can also opt to use a "design-build" contract that combines design and construction services into one overall contract for the project.

Prior law allowed an exception to the announcement and selection procedures for professional design services if a project has an estimated professional design fee of less than \$50,000 and both of the following conditions apply:

1. The county selects a single design professional or firm from among those that have submitted a current statement of qualifications within the immediately preceding year;

2. The public authority and the selected design professional comply with the legally-required objectives for negotiating a professional design services contract (ORC 153.71).

House Bill 687 increases flexibility for counties by exempting small projects with an estimated fee of \$25,000 less from the qualifications-based process. In other words, the county may select the design professional using its own criteria for these small projects, including up-front price consideration. The two statutory conditions continue to apply to projects with an estimated fee of more than \$25,000 but less than \$50,000.

The law continues to allow for an exception for any project determined in writing to be an emergency requiring immediate action including, but not limited to, any projects requiring multiple contracts let as part of a program requiring a large number of professional design firms of the same type (ORC 153.71).

Legislation prohibiting rent control or rent stabilization policies passes

House Bill 430, sponsored by Representative Jon Cross, was amended to prohibit counties and other local government entities from enacting resolutions that are in conflict with the state's Landlord and Tenant Law, or that regulate the rights and obligations of parties to a rental agreement, such as rent control or rent stabilization policies. The Senate passed House Bill 430 by a vote of 25-6 and the House concurred on the changes by a vote of 59-31. The bill now heads to Governor DeWine.

The bill defines "rent control" as requiring below-market rents for residential premises or controlling rental rates for residential premises in any manner, including by prohibiting rent increases, regulating rental rate changes between tenancies, limiting rental rate increases, regulating the rental rates of residential premises based on income or wealth of tenants, and other forms of restraint or limitation of rental rates. Furthermore, "rent stabilization" is defined as allowing rent increases for residential premises of a fixed amount or on a fixed schedule as set by a political subdivision.

Therefore, under the bill, a political subdivision's regulation regarding rent control or rent stabilization would be preempted by state law, unless the regulation pertains to housing, building, health, or safety code, or any ordinance regarding evictions. Additionally, House Bill 430 specifies that it does not preempt any measure of a political subdivision that regulates, or has the effect of regulating in any way:

1. Rent charged or paid for the use of residential premises that the political subdivision owns or operates;

2. Any measure to implement a plan to use voluntary incentives or agreements that regulates rent charged or paid for the use of residential premises as long as the regulation is related to voluntary incentives or agreements to increase or maintain the supply or improve the quality of available residential premises, including incentives authorized by federal law; or

3. Incentives relating to a community reinvestment area, tax abatements, tax credit financing, bond or other financing, or loans or grants from the political subdivision.

OBM Releases Monthly Preliminary Revenue Data for May 2022

Preliminary revenue figures for May 2022 were released this week by the Ohio Office of Budget and Management. Overall, state revenues came in \$105.3 million (4.4 percent) above estimate.

Total sales and use tax collections for the month exceeded estimates by 5.8 percent. Non-auto sales tax beat estimates by \$63.8 million (7 percent), and auto sales tax matched the estimates in May.

The full preliminary report can be accessed [here](#), and the full financial report will be released in the coming days.

Bill Introductions

[HB 695](#) (Smith, M., Johnson) - To exempt from sales and use tax the sale of child and adult diapers.

[HB 698](#) (Kick, Creech) - To amend the law regarding eminent domain.

