STATEHOUSE REPORT

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Administrative rules proposed for All Ohio Future Fund

Last week, the Office of Budget and Management (OBM) filed administrative rules regarding the All Ohio Future Fund with the Register of Ohio. This is one of the early steps in the process that programs must undergo before the state can start utilizing funds.

The proposed rules, visible here, are not final but do offer insight into how the state anticipates it will use the funding allocated to the fund.

As stated by the proposed rule, the All Ohio Future Fund will be used to make loans or grants (as determined by the agency responsible for securing Controlling Board release of funds, likely to be either OBM itself or the Department of Development) to "eligible applicants" for the purpose of site development. Eligible applicants include counties and other local governments and government entities, as well as nonprofit and for-profit organizations. Funds can be used for public roadwork, water and wastewater design and engineering, demolition, wetland mitigation, utility connectivity, and other "one-time" enhancements.

For all projects, the applicant must provide proof to the state agency that the county in which the project is located supports the project. If a project is located in multiple counties, it is likely that all counties will have to provide proof of support before funds can be awarded, but it is not explicitly stated in the proposed rule.

Recipients of funds will be required to submit periodic reports describing the status of the project, but the frequency and nature of these reports are not enumerated in the proposed rule.

The agency issuing the awards is also permitted to "recapture" funds if the entity or business the funds are being used to facilitate is not under an agreement to use the site within five years of the award's issuance.

OBM will be hosting a public hearing regarding the proposed rule on December 11. CCAO's

Jobs, Economic Development, and Infrastructure (JEDI) Committee will be meeting on December 1 to discuss CCAO's comments on the proposed rules. If you have thoughts on potential changes, please send them to Senior Policy Analyst Jon Honeck.

Village dissolution bill, virtual meeting authority bill clear committees

This week, two bills of note were favorably reported out of their respective committees.

First, House Bill 101 (Representative Adam Bird and Representative Jean Schmidt) was favorably reported out of the Senate Local Government Committee. The bill focuses primarily on the process through which the affairs of a dissolved village are settled. The bill requires the creation of a Transition Supervisory Board when villages dissolve. The Board is made up of the county auditor, the county recorder, and one member of the board of county commissioners. CCAO provided proponent testimony in both chambers.

The bill has acquired several amendments, some of which are germane to counties:

- Requiring the Geauga County prosecuting attorney to prosecute all violations of state law that arise within the unincorporated areas of Geauga County;
- Reducing the maximum rate of a special lodging tax in Ashtabula County from 3.5% to 2% and requiring all revenue from the tax be used to fund operations and maintenance of detention facilities rather than the convention center;
- Requiring boards of elections to transmit election results, including those of county court judgeships and municipal court judgeships, to the Administrative Director of the Supreme Court by email or other telecommunication means.

After being reported 5-0, H.B. 101 was re-referred to the Senate Finance Committee, indicating the bill will likely be further amended. CCAO will keep membership informed as the bill receives hearings in the Finance Committee.

The second bill of note, House Bill 257 (Representative Jim Hoops and Representative Thaddeus Claggett), passed unanimously out of the House Government Oversight Committee. H.B. 257 allows certain public bodies to hold and attend meetings and hearings by virtual means. The bill generally excludes elected bodies from the scope of the new authority, so boards of commissioners and legislative authorities of charter counties are still not permitted to meet virtually. Boards of elections are also not permitted to meet virtually.

Bodies interested in meeting virtually must adopt a number of policies and meet certain standards in order to do so. These can be found in the LSC Analysis of the bill.

CCAO has not taken a position on H.B. 257.

House Ways and Means Committee hears three property tax bills

Three bills related to property taxes received hearings in the House Ways and Means Committee earlier this week. House Bill 254 (Representative Tracy Richardson and

Representative Adam Holmes) received sponsor testimony in its first hearing. This bill creates an enhanced homestead property tax exemption for disabled veterans. Counties and other political subdivisions would be reimbursed for the estimated $36 million revenue loss by the state. Under current law, a veteran who is totally disabled receives an exemption of $50,000 of the homestead's true value. The bill increases the exemption to the home's full taxable value so that no tax would be owed. The bill also enhances the exemption for veterans who have a disability rating of at least 50%. Veterans with a disability rating of 70% but less than 100% would receive an additional exemption of $10,000 above current law; those with a rating between 50% and 70% would receive an additional exemption of $5,000.

House Bill 274 (Representative Adam Mathews and Representative Richard Dell'Aquila) creates an enhanced homestead exemption of $50,000 for homeowners who meet existing age or disability criteria and who have owned their residence for at least 20 consecutive years. The exemption is also available to the homeowner's surviving spouse until the spouse remarries. Unlike the standard exemption, the enhanced $50,000 exemption established by the bill is not indexed to inflation.

House Bill 263 (Representative Dani Isaacsohn and Representative Thomas Hall) received in-person proponent testimony from the Council on Aging of Southwest Ohio and written proponent testimony from other organizations. The bill establishes a property tax freeze for qualifying homeowners who are at least 70 years of age, have a household income less than $70,000, have continuously lived and owned the residence for at least 10 years. The home must be valued at less than $1 million. The bill freezes the property taxes owed for these owners at the tax year 2023 level. Counties and other local governments would be reimbursed for lost revenue as under current law. The fiscal cost to the state would increase each year as property tax bills remain frozen at the 2023 level. Over the first three years of the bill's operation (tax years 2024 – 2026), the bill is estimated to cost $261 million and would affect 455,000 homeowners.

CCAO has not taken a position on these bills. The Homestead Exemption was changed recently in the state operating budget bill, HB 33, to index both the standard and enhanced exemption amounts to inflation.

For further information please contact Senior Policy Analyst Jon Honeck, jhoneck@ccao.org.

NOTICE: Brownfield remediation grant webinar to be held Monday

On Monday at 10:00 a.m., the Department of Development will be hosting a webinar regarding the second round of the Brownfield Remediation Grant Program authorized in the state budget. You can register for the webinar at the bottom of this page.

Development has also provided detailed program guidelines and a list of the lead entities for grant applications in each county. CCAO encourages counties to attend the webinar to learn more about how the program will work and take advantage of an opportunity to ask questions directly to Development staff.

Grant applications will be accepted from December 1 to April 1. More information regarding the program can be found on [Development's website].

NOTICE: Senate Select Committee on Housing to hold hearing in Washington County on December 4

On Monday, December 4, the Senate Select Committee on Housing will hold its second field hearing, this time in Marietta.

The hearing will be held 10:00 a.m., on the campus of Washington State Community College in Graham Auditorium (710 Colegate Dr. Marietta, OH 45750) and is open to public testimony. If you would like to testify, you must complete this document and submit both it and your testimony to Senator Michele Reynolds' senior legislative aide Chloe Green by Thursday, November 30. You can reach Green at chloe.green@ohiosenate.gov or 614-466-8064.

The committee plans to hold at least one hearing in other regions of the state, although dates and locations are not set yet. CCAO will keep membership informed as the committee continues its travels.

Legislative Activity

Committee Hearings

Several bills of interest to counties received hearings this week across different committees.

House Pensions

- House Bill 296 (Representative Cindy Abrams and Representative Thomas Hall): To increase contribution amounts that employers of full-time municipal police officers must make to the Ohio Police and Fire Pension Fund.
    - Second hearing, proponent testimony from the Ohio Police & Fire Pension Fund, the Fraternal Order of Police, the Ohio Association of Chiefs of Police, the Ohio Association of Professional Fire Fighters, and two regional firefighter associations.

House Civil Justice

- House Bill 305 (Representative Brian Stewart and Representative Richard Brown): To provide for the electronic filing of pleadings or documents in courts of common pleas except a probate or juvenile court, in municipal courts, and in county courts, to permit the clerk to disburse funds for the computerization of the clerk's office without the court's authorization, and to permit municipal and county courts to increase the maximum amount of their additional fees from ten dollars to twenty dollars to cover the computerization of the clerk's office.
    - Second hearing, proponent testimony from the Ohio Association of Municipal/County Court Clerks, the Ohio Clerk of Courts Association, the Ohio State Bar Association, and one private individual; interested party testimony from the Ohio Judicial Conference.

House State & Local Government

- House Bill 30 (Representative Latyna Humphrey): To require municipal and county correctional facilities and state correctional institutions to provide inmates experiencing a menstrual cycle with an adequate supply of feminine hygiene products.
  - Third hearing, proponent testimony from PERIOD at Ohio State University and seven private individuals.

House Government Oversight

- Senate Bill 91 (Senator Tim Schaffer): Regards fraud, waste, and abuse of public funds.
  - First hearing, sponsor testimony.
  - **AMENDED** to remove provisions that were included in the state operating budget and to clarify that reports must be filed with different entities depending on the role of the individual being reported on.
- House Bill 272 (Representative Adam Mathews and Representative Justin Pizzulli): To allow a concealed handgun licensee to carry a deadly weapon or dangerous ordnance in a building or structure that is not a courthouse but in which a courtroom is located if court is not in session.
  - Fourth hearing, opponent testimony from ten private individuals.
  - **REPORTED** 7-5

House Homeland Security

- House Bill 13 (Representative Joe Miller and Representative Casey Weinstein): To eliminate the additional registration fee applicable to hybrid motor vehicles and to delay the effect of those changes until January 1, 2025.
  - Third hearing, no testimony.

Introduction of Bills

The following bills were introduced this week that may be of interest to counties:

- House Bill 326 (Representative Cindy Abrams): To express the General Assembly's intent to use revenue from a tax on adult use cannabis to fund peace officer training.
- House Bill 333 (Representative Bride Rose Sweeney and Representative Kevin Miller): To prohibit law enforcement agencies from using quotas for arrests and citations.
- Senate Bill 186 (Senator Bill Blessing and Senator Catherine Ingram): To require payment of property taxes and assessments when a lot is split or transferred and to generally prohibit tax-delinquent property owners from purchasing tax-foreclosed property.