STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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December 8, 2023

Senate passes HB 187, regarding property tax valuation; House to consider next week

This week, the Senate passed an amended version of House Bill 187 (Representative Thomas Hall and Representative Adam Bird) that removed the language mandating the use of three years of sales data for tax equalization but kept the auditor's final authority in the valuation process. If the Tax Commissioner disagrees with the auditor, the Commissioner would have to appeal to the Board of Tax Appeals.

In addition, the bill provides a temporary expansion of the homestead property tax exemption for taxes paid in 2024, 2025, and 2026. The new provision increases the income limit for the homestead exemption to $75,000. The benefit is provided on a sliding scale for homeowners with incomes above $36,100. Homeowners with incomes below $36,100 would receive an enhanced benefit of a $30,000 exemption. Homeowners with incomes between 62,100 and $75,000, for example, would receive an exemption amount of $7,500. The state will reimburse the full cost of the additional, temporary exemption for counties and other local governments, and for 50% of the cost to school districts. The estimated cost to school districts is $97 million over the three years of the expansion.

The Senate version also makes further restrictions on the ability of school districts and other local governments to challenge property tax revisions in the Board of Revision process. Under the bill, a political subdivision can file a property tax complaint with respect to property the subdivision does not own only if the complaint is based on a sale evidenced by a conveyance fee statement filed within the two years preceding the year for which the complaint is filed. Moreover, a school district would be prohibited from filing a property tax counter-complaint unless the original complaint was filed by the owner or lessee of the property.

The House is expected to take up the bill for concurrence next week, but its prospects for passage remain uncertain. For a copy of the LSC fiscal note, click here. For a copy of the bill analysis, click here.

Please contact Senior Policy Analyst Jon Honeck with any questions or concerns.

House, Senate release guidance for capital budget requests; House deadline is December 18

The Ohio House of Representatives and the Ohio Senate have both released guidance for the application process to the capital budget. The House guidance can be found here, and the Senate guidance can be found here.

A capital budget provides appropriations for state infrastructure needs, for example, renovations for state offices, new construction such as prisons, mental health facilities or university buildings, land acquisition or equipment. Generally, the appropriations for a capital bill are backed by state-issued debt.

Capital bills have commonly included a small portion dedicated to community projects, which are projects that come from outside of state agencies and have a benefit or nexus to the state. In addition to community projects, appropriations from the One Time Strategic Community Investments Fund (OTSCIF), created by House Bill 33 will also be included. Because there will be two pots of funding available, projects that are not allowable under debt funding will be allowable this one time.

The House has a deadline of December 18 for all capital budget applications to be submitted from outside entities to the appropriate Representative.

The Senate has set a deadline of April 8 for capital budget applications.

It is important to mention that the House has not set guidelines for the OTSCIF funding, instead allowing local communities to highlight what their community needs are.

The Senate has the following requirements in place for the OTSCIF funding:

- One time in nature and will not require additional state assistance for completion;
- Meaningful and transformational investments that positively affect the lives of Ohio citizens;
- No pilot projects;
- No operational / salary costs;
- Not creating small pots of money for a general purpose to be distributed through a program later;
- Landbanks are not eligible for funding.

If you have any questions, please do not hesitate to reach out to the policy staff for additional follow-up.

House passes two measures of note for counties

During its December 6 session, the House of Representatives passed two measures that may be of interest to counties.

First, the chamber passed House Bill 272 (Representative Adam Mathews and Representative Justin Pizzulli) by a vote of 57-29. The bill gives permissive authority to governing bodies of a building or structure in which a courtroom is located but is not a courthouse to enact a policy permitting concealed handgun licensees to possess a handgun in such a building. This bill largely affects municipalities and townships since counties already have this authority as it relates to county courthouses.

Second, House Concurrent Resolution 6 (Representative Angela King and Representative Phil Plummer) by a vote of 78-0. HCR 6 urges Congress to repeal the Windfall Elimination Provision (WEP) in Social Security and the Government Pension Offset (GPO). The WEP is a modified benefit formula that reduces the Social Security benefit amount for some retired or disabled workers that have earned pensions from earnings not covered by Social Security while the GPO reduces the Social Security benefits of spouses, widows, and widowers with a pension from a federal, state, or local government job.

CCAO testified as in favor of HCR 6. NACo has taken similar actions at the federal level to advocate for the repeal of the WEP and GPO. HCR 6 now heads to the Senate for consideration.

Legislative Activity

Committee Hearings

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

House Government Oversight

- Senate Bill 91 (Senator Tim Schaffer): Regards fraud, waste, and abuse of public funds.
    - Second hearing, proponent testimony from CCAO, the Auditor of State, the Ohio Township Association, the Ohio Municipal League, two organizations representing school districts, and a village.
- House Bill 210 (Representative Jennifer Gross and Representative Gary Click): To require an elector to register as a member of a political party by a certain deadline in order to participate in that party's primary election.
    - First hearing, sponsor testimony

House Armed Services and Veterans Affairs

- House Bill 69 (Representative Brian Stewart and Representative Bernard Willis): To require county veterans service commissions to include two members who served in the military after September 11, 2001, and to require one member of the commission to be appointed by the board of county commissioners.
    - Third hearing, proponent testimony from two private individuals and opponent testimony from the Ohio State Association of County Veterans Service Officers,

five county veterans service commissions, the Ohio Judicial Conference, and five other organizations representing Ohio veterans.

House Ways & Means

- House Bill 254 (Representative Tracy Richardson and Representative Adam Holmes): To expand and enhance the homestead property tax exemption for disabled veterans.
    - Third hearing, no testimony.
- House Bill 274 (Representative Adam Mathews and Representative Richard Dell'Aquila): To authorize an enhanced property tax homestead exemption for certain long-term homeowners.
    - Second hearing, proponent testimony from the County Auditor's Association of Ohio, the Franklin County Auditor, the Ohio Poverty Law Center, the Council on Aging of SW Ohio, and the Ohio Manufactured Homes Association, and three organizations representing school districts.

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- House Bill 347 (Representative Don Jones): To presume certain trailers and vehicles are sold for agricultural purposes and thus exempt from sales and use tax when sold to established farmers.
- House Bill 352 (Representative Rachel Baker and Representative Sara Carruthers): To establish the Adverse Childhood Experiences Study Commission.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may interest counties. Other committees will likely meet as well, but as of press time for the *Statehouse Report,* they have not released agendas. Please note that these schedules are subject to change.

If you would like to testify on any bill, please visit the committee page and contact the committee chair's office for instructions on submitting testimony.

Tuesday, December 12

House Finance (10:00 a.m.)

- House Bill 354 (Representative Jamie Callender): To modify the law governing the cultivation, processing, dispensing, testing, and taxation of adult use cannabis and to levy a gross receipts tax on marijuana cultivators.
    - Second hearing, all testimony

House Aviation and Aerospace (10:30 a.m.)

- House Bill 77 (Representative Bernard Willis): To establish requirements and prohibitions governing the operation of unmanned aerial vehicles in Ohio.
    - Fourth hearing, no testimony
    - **POSSIBLE AMENDMENTS**

House Behavioral Health (1:00 p.m.)

- House Bill 352 (Representative Rachel Baker and Representative Sara Carruthers): To establish the Adverse Childhood Experiences Study Commission.
    - First hearing, sponsor testimony

House Ways and Means (3:30 p.m.)

- House Bill 344 (Representative Adam Mathews and Representative Thomas Hall): To to eliminate the authority to levy replacement property tax levies and to modify the law governing certain property tax complaints.
    - First hearing, proponent testimony
- House Bill 274 (Representative Adam Mathews and Representative Richard Dell'Aquila): To authorize an enhanced property tax homestead exemption for certain long-term homeowners.
    - Third hearing, proponent testimony
- House Bill 347 (Representative Don Jones): To presume certain trailers and vehicles are sold for agricultural purposes and thus exempt from sales and use tax when sold to established farmers.
    - First hearing, sponsor testimony

Wednesday, December 6

House Finance (10:00 a.m.)

- House Bill 354 (Representative Jamie Callender): To modify the law governing the cultivation, processing, dispensing, testing, and taxation of adult use cannabis and to levy a gross receipts tax on marijuana cultivators.
    - Third hearing, all testimony