STATEHOUSE REPORT

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## CCAO, other organizations express opposition to HB 344

The House Ways and Means held its third hearing on House Bill 344 (Representative Adam Mathews and Representative Thomas Hall) on Tuesday, which would eliminate the ability of any political subdivision to put a replacement levy on the ballot after October 2024.

Replacement levies restore the voted millage rate from the expiring levy and allow revenue growth from property valuation increases, unlike a renewal levy, which continues the effective rate from the expiring levy. Replacement levies have a tradeoff, however, in that they are not eligible to receive the 10% and 2.5% state rollbacks.

CCAO informed the committee in opposition testimony that counties continue to use replacement levies for many purposes, such as children services, developmental disabilities, mental health and substance abuse recovery, senior services, 9-1-1, and county boards of health. CCAO also explained that the board of county commissioners must approve requests for these levies to appear on the ballot, and that this provides an opportunity for communication with the county levy agency about service needs and budget requirements.

Other organizations submitting opposition testimony included the Columbus and Franklin County Metroparks, Public Children Services Organization of Ohio, Ohio Association of County Boards of Developmental Disabilities, Miami County, associations of school business administrators / school boards / school administrators, Ohio Township Association, Orange City School District, and the Ohio Library Council. Copies of these testimonies are available on the Ways and Means Committee website.

CCAO has not taken a position on the other policy objective of HB 344, which puts further restrictions on schools' ability to challenge valuation for property they do not own.

## CCAO supports bill to fight tax chronic delinquencies

Senate Bill 186 (Senator Louis Blessing III and Senator Catherine Ingram) received its second hearing in the Senate Ways and Means Committee this week. The bill adds a much-needed guardrail to the tax foreclosure sale process by requiring a purchaser to present an affidavit stating that the purchaser does not have a tax delinquency on existing properties as stated by the county treasurer.

The goal of the bill is to prevent investors who own multiple delinquent properties from acquiring more until existing tax delinquencies are resolved. The purchaser must check with the treasurer in every Ohio county in which the purchaser owns property. If there are extenuating circumstances, such as legal disputes about title, this can be explained in the affidavit. This requirement also applies to any LLC in which the purchaser owns a 10% or greater ownership stake.

It should be noted that a purchaser who enters into a tax delinquent payment contract with a treasurer is still considered to be in good standing and would be eligible to complete a purchase. Another part of the bill requires property taxes to be paid before a deed can be recorded.

CCAO's proponent testimony, along with testimony from the County Treasurers Association and other proponents such as the County Auditors Association, Summit County Fiscal Office, and various county treasurers, is available on the committee's website.

Members with questions should contact Senior Policy Analyst Jon Honeck, jhoneck@ccao.org.

## Indigent Defense Study Task Force has first meeting, hears from Ohio State Bar Association and Ohio Public Defender

On January 25, the HB 150 Indigent Defense Study Task Force held its first meeting. The Task Force began its work by listening to a presentation by Elizabeth Miller, the State Public Defender for Ohio. She provided an overview of the current indigent defense system in Ohio, that included a historical lookback at the funding of the system from the 1970's until present day, the various system delivery models, appointed counsel rates, and a historical perspective of the reimbursement rate, among others. Following the presentation, the Task Force members asked a substantial number of questions about the indigent defense system in Ohio. The majority of the questions centered around the funding of the system and how the services are delivered at the local level.

Next, the Task Force heard from The Ohio State Bar Association (OSBA). Former OSBA President and former Perry County Municipal Judge Dean Wilson and OSBA Government Relations Manager Marisa Myers provided the Task Force with an overview of the OSBA's Future of Indigent Defense Task Force and its recommendations. The OSBA task force's recommendations closely align with the policy priorities of CCAO on this issue. The Task Force asked additional questions about funding for the system and on the shortage of attorneys in rural areas of the state. The OSBA's recommendation and presentation can be found here.

The Task Force will hold its next meeting on February 8th at 10:00am. The location has yet to be determined, but it will likely take place in the Ohio Statehouse. The main source of information at this hearing will be provided by CCAO. We will have Allen County Commissioner Cory Noonan and Fairfield County Commissioner and Task Force Member Steven Davis present at this meeting. They will provide the Task Force with CCAO's policy priorities in this area and information on the history of the indigent defense system from the County Commissioner's perspective.

If you are interested in offering testimony in addition to Commissioner Noonan and Commissioner Davis, or have questions about the Task Force, please contact Managing Director of Policy Kyle Petty.

*(**Note**: In last week's Statehouse Report, we erroneously stated that the task force must issue its report by December 31, 2024. The task force must issue its report in April 2024. We apologize for the confusion.)*

## Property Tax Review and Reform Committee hosts second meeting

This week, the Joint Committee on Property Tax Review and Reform held its second meeting, featuring invited testimony from the County Auditors Association of Ohio (CAAO) and the Board of Tax Appeals (BTA). The committee's first hearing, featuring the Legislative Service Commission and the Department of Taxation, served as a history lesson to educate the committee on the overall structure and evolution of the state's property tax system, while this week's hearing functioned as an overview of the current landscape.

One subject discussed during the hearing was the growth in recent years in the number of property tax exemptions across the state. Athens County Auditor Jill Davidson explained that as the number of exemptions increases, the tax burden on individual payers is increased since fewer individuals are contributing to the tax levy.

Another topic of discussion was the growing issue of LLC transfer sales, where a limited liability corporation that owns a property is sold, transferring the ownership of the property without an actual real estate transaction. These transactions make the appraisal process difficult since it masks the true value of properties in the county. Auditor Davidson and Franklin County Auditor Michael Stinziano explained that these transactions are difficult to monitor since county auditors do not have any oversight on LLC sales.

Closing the LLC loophole is a CCAO platform position, so the Association is glad to see the Joint Committee discussing this issue.

CCAO is maintaining a page on our website compiling the materials shared by witnesses with the Joint Committee, along with links to the Ohio Channel recordings of the committee hearings. You can access it here.

## Senate Housing Committee focuses on vulnerable populations

The Senate Select Committee on Housing continued its work with a hearing in Columbus that focused on barriers to housing for low-income and vulnerable populations.

Joe Mazzola, Franklin County Health Commissioner, described the health department's work with various other partners, including a new initiative to create a transitional housing program for residents who are referred from the county department of job and family services. The collaborative will seek to transition individuals or families into temporary shelter and transitional housing as well as provide relocation support services. The health department also will continue to engage residents facing housing insecurity through a partnership with the Franklin County Municipal Court's (FCMC) pilot eviction plan.

The Commissioner made the following recommendations to improve the accessibility of housing:

- Incentivize landlords to rent to populations that utilize housing vouchers, make it illegal to refuse housing tenants based on source of income, and discourage discriminatory renting practices;
- Update and improve eviction guidelines;
- Expand income ordinances to cover all of Franklin County;
- Prioritize local zoning regulations that require 25% of new developments to be affordable housing as well as advocating for more dense and diverse housing.

Susan Wallace, President of LeadingAge Ohio, discussed the needs of Ohio's growing number of senior citizens, and urged that state policymakers recognize the following priorities:

- Improve public and policymaker awareness of the connections between health and housing by integrating data and research across disparate fields.
- Identify and proactively supporting existing affordable housing communities that are reaching the end of their 30-year lifespan, to connect to appropriate supports so that they can remain affordable and avoid displacement of residents.
- Establish on-site service coordination for Ohio's affordable senior housing to improve the quality of life of community-residing seniors and bend the Medicaid cost curve.
- Create a dedicated rural housing strategy that acknowledges the unique barriers in rural communities and marries affordable housing with site-based care.

- Support strategies to allow older Ohioans to remain in private homes, including establishing standards for informal cohousing, promoting Village models and addressing barriers related to municipal code enforcement.

- Support OHFA in refining its selection criteria of high-value senior projects.

Theresa Lample, CEO of the Ohio Council of Behavioral Health and Family Services Providers, emphasized the significant need for recovery housing in Ohio communities. "According to a recently published analysis," she stated, "Ohio is only meeting 31% of the need for recovery housing statewide."

Lample added that the state only allocates $3 million per year in general revenue funds for recovery housing and it is not reimbursable by Medicaid or private insurance. She also pointed out that local governments may be making inappropriate zoning decisions about recovery housing by refusing to allow recovery housing in residential areas. She urged policymakers to clarify that recovery housing is a residential use of property.

Other organizations submitting testimony included the Ohio CDC Association; Families Flourish; Corporation for Supportive Housing; Ohio Recovery Housing; Lighthouse Behavioral Health Solutions; Family Services Providers; and the Ohio Real Estate Investors Association. Testimony from the hearing is available on the committee's website.

# Legislative Activity

## Committee Hearings

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

### Senate Government Oversight

- Senate Bill 105 (Senator Terry Johnson and Senator Vernon Sykes): Regards the composition of boards of alcohol, drug addiction, and mental health services; the authority of the boards; and the requirements for operation of recovery housing residences.
    - Fourth hearing, no testimony.
    - **AMENDED** to align with applicable provisions included in the budget, to create criminal penalties for bad actors posing as recovery housing operators, to codify data sharing practices currently used by OMHAS, and to modify language regarding contracting between ADAMH boards and providers.

### Senate Government Oversight

- House Concurrent Resolution 6 (Representative Angela King and Representative Phil Plummer): To urge Congress to repeal the Windfall Elimination Provision.
    - First hearing, sponsor testimony.
- Senate Bill 185 (Senator Al Landis): To exempt redaction request forms, affidavits, and the records of the work schedules of designated public service workers from disclosure under public records law.

- First hearing, sponsor testimony.

### Senate Ways and Means

- Senate Bill 172 (Senator Andrew Brenner): To exempt from sales and use tax sales of manned aircraft.
    - First hearing, sponsor testimony.

### House Public Utilities

- House Bill 197 (Representative James Hoops and Representative Sharon Ray): To establish the community solar pilot program and the solar development program.
    - Fourth hearing, opponent testimony from the Ohio Consumer's Counsel and AEP Ohio.

## Introduction of Bills

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

- House Bill 386 (Representative Adam Mathews and Representative Brian Lampton): To phase-out the state income tax on nonbusiness income over six years and to repeal the commercial activity tax after 2029.
- Senate Bill 216 (Senator George Lang and Senator Steven Huffman): To phase-out the state income tax on nonbusiness income over six years and to repeal the commercial activity tax after 2029.