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# STATEHOUSE REPORT

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## Governor DeWine signs HB 101: village dissolution and budget fixes

On Tuesday, Governor Mike DeWine signed [House Bill 101](#) (Representative Adam Bird and Representative Jean Schmidt). The bill contains several provisions of interest to counties, both in its original subject matter and later amendments.

The bill creates a Transition Supervisory Board (TSB) which will oversee the process of village dissolution. The TSB will be made up of three county elected officials: a county commissioner, the county recorder, and the county auditor.

The TSB will be responsible for managing the transition of the dissolved village with responsibilities including:

- Resolving outstanding debt, liabilities, and obligations;
- Settling any legal claims against the dissolved village;
- Administer and collect taxes and special assessments levied by the dissolved village;
- Dispose of the dissolved village's real and personal property;
- Manage the dissolved village's utility services, then transfer them;
- Respond to requests for the dissolved village's public records and transfer custody of the records to the proper entity;
- Wind down the dissolved village's involvement in community improvement corporations, special improvement districts, and tax increment financing arrangements;
- Conduct all other necessary business to conclude the village's affairs.

The bill also increases the indigent defense reimbursement cap for capital cases from \$75 per hour to \$140 per hour. This rate matches that set by the Capital Case Attorney Fee Council and had been inadvertently omitted during the budget process when the cap was originally put in place.

Finally, HB 101 repeals [R.C. 128.419](#), which exempted wireless service that is priced at less than \$5 a month from paying the new \$0.40 per month NG 9-1-1 access fee. In post-budget

discussions, this language was revealed to potentially exempt all devices. The repeal of the section clarifies the original intent.

With Governor DeWine signing the bill on Tuesday, the language regarding the Transition Supervisory Board will become effective on April 29. The \$140 per hour reimbursement cap for capital cases became effective immediately upon the Governor's signature since it is directly tied to an appropriation.

The repeal of R.C. 128.419 will also take effect on April 29, but it is unclear if the broad exemption interpretation was being employed, so the repeal may not have an effect; instead, the repeal serves to prevent the broad exemption interpretation from being acted upon.

## **Counties provide testimony at Senate Housing Committee's final hearing**

This week the Senate Select Committee on Housing met for its final hearing and heard testimony from eight entities. Among them were Lucas, Montgomery, and Summit counties, along with CCAO. The three counties shared similar and unique perspectives on how the state legislature can address the issues with housing in Ohio.

**Summit County:** County Executive Illene Shapiro outlined three areas where the state should focus its time and resources: increasing affordable housing stock, addressing barriers to homeownership, and supporting current homeowners and renters with cost-saving services and programs.

Executive Shapiro highlighted a program in Summit County called the First Home First Loan program which provides first-time home buyers an up to \$12,000 interest free deferred loan. She encouraged the state to provide additional investment to expand this program.

Executive Shapiro also requested state funding for the purpose of supplementing federal funds from the HOME Investment Partnership Act. These funds are used for low to moderate income housing developments, but the federal funds alone are not sufficient to meet the county's housing stock needs.

**Lucas County:** Testimony from the Lucas County Board of Commissioners addressed the following during their comments: increased state funding for housing construction, conversion of empty office buildings into residential housing, and the preservation of legacy communities.

Lucas County proposed that the state allocate additional funding through the operating budget for the purpose of offsetting some housing construction costs. These additional funds would ideally be available to developers, local governments, and housing authorities where these entities could apply for financing to close the funding gap.

The Lucas County Commissioners also mentioned they would like to see a portion of tax revenue from marijuana sales be used for housing in some capacity.

Lucas County places emphasis on legacy communities where resources are lacking. They would like to see an increase in state-funded programs that focus on these specific communities. The commissioners define legacy communities as those with old houses, often inhabited by older Ohioans.

Montgomery County: The Montgomery County Board of County Commissioners had similar concerns to Summit County and Lucas County, ranging from protecting legacy communities to assisting first-time home buyers to lower-income housing. They also focused on the following areas: senior rental housing, higher income housing, and second-time homebuyer options.

The board mentioned gaps in senior rental housing as the aging population in Montgomery County continues to increase.

Montgomery County is facing housing issues for second-time home buyers looking in the \$200,000 price range. The board would like to see increased investment into these communities so homebuyers with different needs can have options within the county.

CCAO: Senior Policy Analyst Jon Honeck provided written testimony to the committee. He discussed how there isn't a one-size-fits-all approach, as Ohio communities vary from suburban, urban, and rural, each with their specific issues and obstacles to address. He mentioned the importance of having a working partnership between the state and individual local governments so individuals concerns and needs can more efficiently be addressed.

Honeck discussed several areas where boards of county commissioners can be given additional authority to regulate land use and thereby encourage housing construction:

- Imposing impact fees on new development to assure the general taxpayer does not pay for the entire cost of expanded infrastructure needed as a result of new development;
- Enacting zoning for the purpose of promoting the general welfare and to encourage the preservation of agriculture and agribusiness;
- Authority to approve transfer of development rights (TDR) in both zoned and unzoned areas in order to promote preservation of open space and farmland. In the event a property owner is compensated in conjunction with a TDR, no public funds may be granted to the owner for an agricultural or conservation easement.
- Levying fines and issuing stop work orders to enforce county flood plain regulations.
- Authority to increase the period of recoupment for CAUV farmland being converted to other uses, with the added revenue dedicated to economic development, farmland preservation, infrastructure, and planning.

CCAO also supports the increased authority in addressing municipal annexation towards the following: traffic, land use plans, water and sewer utilities, and the impact on school

districts; and, to negotiate an acceptable resolution with other political subdivisions involved in the annexation.

One last major point CCAO addressed during testimony is the use of tax increment financing (TIF) arrangements. CCAO opposes any effort to expand the allowable uses of TIFs to include services and activities that are not directly related to the construction and maintenance of physical infrastructure. We would support language to expand parcel TIFs and allow commissioners to object and receive compensation for any TIF if the duration exceeds ten years or if value of the exemption exceeds 50%.

## **Tax Department releases proposed rules for valuing federally subsidized residential rental property**

The Ohio Department of Taxation has released [draft rules](#) to implement a procedure for the valuation of federally subsidized residential rental property. The rule applies to projects receiving the federal low-income housing tax credit (LIHTC) and similar programs that restrict the amount that can be charged for rent in return for a construction subsidy. The rules are the result of changes made in the state operating budget, House Bill 33 (see [5713.031](#) and [5715.01\(A\)\(4\)](#)).

The law requires that an owner of federally subsidized residential rental property provide the county auditor with audited information concerning the property's operating income, expenses, and contributions to reserve funds no later than March 1 of a reappraisal or update year. If the owner fails to timely submit the information, the auditor may proceed to value the property by another method.

The proposed rule defines accounting and tax terms that will be used in the auditor's valuation process and provides that the property owner may challenge certain presumptive amounts in the formula by submitting additional information. To calculate a capitalization rate, the department proposes to use the latest rate for multifamily apartments published by the Appraisal Institute or other reputable source, reduced by a 1% investment risk factor.

The total value of the property will be the greater of (1) the appraised value; (2) \$5,000 multiplied by the number of units comprising the property; or (3) 150% of the property's unimproved land value.

The comment period for the rule is open until March 1, 2024. Comments may be addressed to [TaxRules@tax.ohio.gov](mailto:TaxRules@tax.ohio.gov).

Members with questions should contact Senior Policy Analyst Jon Honeck, [jhoney@ccao.org](mailto:jhoneck@ccao.org).

## **Legislative Activity**

### **Upcoming Committee Hearings**

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

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

## **Tuesday, February 6**

### **House Civil Justice (11:00 a.m.)**

- [House Bill 265](#) (Representative Scott Wiggam and Representative Thomas Hall): To exempt redaction request forms, affidavits, and the records of the work schedules of designated public service workers from disclosure under public records law.
  - Third hearing, no testimony.
  - **POSSIBLE AMENDMENTS**
- [House Bill 338](#) (Representative Andrea White and Representative Bride Rose Sweeney): To allow child support orders to be issued, modified, or extended for children over 18 with a disability.
  - Second hearing, proponent testimony

### **House Ways and Means (11:00 a.m.)**

- [House Bill 344](#) (Representative Adam Mathews and Representative Thomas Hall): To eliminate the authority to levy replacement property tax levies and to modify the law governing certain property tax complaints.
  - Fourth hearing, all testimony.
  - **POSSIBLE AMENDMENTS**
- [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.
  - Fourth hearing, all testimony
- [House Bill 263](#) (Representative Dani Isaacsohn and Representative Thomas Hall): To authorize a property tax freeze for certain owner-occupied homes.
  - Fourth hearing, no testimony.
  - **POSSIBLE SUBSTITUTE BILL**

### **House State and Local Government (3:30 p.m.)**

- [House Bill 315](#) (Representative Thomas Hall and Representative Bill Seitz): To make various township law changes and to make an appropriation.
  - Second hearing, proponent testimony and interested party testimony.
- [House Bill 271](#) (Representative Sarah Fowler Arthur and Representative Roy Klopfenstein): To revise and streamline the state's occupational regulations and to make an appropriation.
  - Fourth hearing, all testimony.
  - **POSSIBLE AMENDMENTS**
  - **POSSIBLE VOTE**

**Wednesday, February 7**

**[Joint Committee on Property Tax Review and Reform](#) (10:30 a.m.)**

- Invited Testimony from:
  - Ohio Farm Bureau Federation
  - Ohio Chamber of Commerce
  - National Federation of Independent Business
  - Ohio Business Roundtable

**Thursday, February 8**

**Indigent Defense Study Task Force (10:00 a.m.)**

- Invited Testimony from:
  - County Commissioners Association of Ohio
    - Allen County Commissioner Cory Noonan
    - Fairfield County Commissioner Steven Davis