



STATEHOUSE REPORT

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209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

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CCAO provides testimony to Property Tax Review and Reform Committee; committee open to all testimony next week

This week, CCAO provided testimony to the Joint Committee on Property Tax Review and Reform regarding aspects of the property tax system that are important to counties. Testimony was provided by a panel consisting of Shelby County Commissioner Tony Bornhorst, Logan County Commissioner Mike Yoder, and Union County Commissioner Dave Burke. CCAO Senior Policy Analyst Jon Honeck [also provided written testimony](#).

Commissioners Bornhorst, Yoder, and Burke each discussed different facets of the property tax system. [Commissioner Bornhorst](#) told the committee that the homestead exemption, one of the main state mechanisms to keep senior and disabled residents in their homes, has not kept up with inflation and thus has become less impactful. He cited that qualified applicants in Shelby County have decreased by 925 since 2014. He also discussed the position in the CCAO Legislative Platform that commissioners be given the authority to advise and suggest changes to property tax levies advanced by taxing authorities that do not have elected board members; primarily, this would apply to health districts and library districts.

During his portion of the panel, [Commissioner Yoder](#) discussed both inside millage, conveyance fees, and property valuation. He informed the committee that inside millage accounts for about 22.6% of Logan County's general fund budget and that about half of real estate sales in Logan County have historically been exempt from conveyance fees. He also cited his long experience as Logan County Auditor in advocating for utilizing a three-year average for property tax valuations since it can better capture trends in market value than the current one year "snapshot" method.

Finally, [Commissioner Burke](#) testified regarding recent trends in tax increment financing (TIF) agreements and how TIFs have become more divisive in recent years. He made four key points in his testimony:

1. The term “public infrastructure or purpose” is being interpreted too broadly when it comes to permissible uses of TIF revenue.
2. TIFs need to be more collaborative between different levels of government, particularly townships and counties since different statutory authorities can prevent some projects from occurring.
3. The state would revise the TIF law to define and distinguish between commercial and retail TIFs and residential TIFs more clearly.
4. TIF rollover should be more carefully considered and undergo the same public process that occurs at TIF creation.

Also providing testimony to the committee this week were representatives from the Ohio Township Association, the Ohio Municipal League, and the Ohio Mayors Alliance.

The committee announced that next week’s hearing, on May 8, will be open to the public instead of just invited testimony. If you are interested in submitting testimony to the Joint Committee, please contact Senior Policy Analyst Jon Honeck at jhoneck@ccao.org or 614-220-7982.

Bill eliminating replacement tax levies, curtailing property tax complaints advances out of committee

The House Ways and Means Committee held its sixth hearing on [House Bill 344](#) (Representative Adam Mathews and Representative Thomas Hall) and reported the bill favorably by a vote of 11–5.

The bill eliminates the ability of any political subdivision to put a replacement levy on the ballot in an election held after October 1, 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, as they are not eligible to receive the 10% and 2.5% state rollbacks.

CCAO provided opposition [testimony](#) to the bill in January because of the elimination of replacement levies. 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.

A similar provision eliminating replacement levies was included in the House-version of the main operating budget but was later removed from the final bill. If HB 344 passes the House

and advances to the Senate, CCAO will continue to educate lawmakers on the value of replacement levies.

The legislation also places further restrictions on schools' and other political subdivisions' ability to challenge valuation for properties they do not own. The bill provides that a political subdivision can file a complaint only if the sale is evidenced by a conveyance fee statement filed in the preceding two years before the tax year for which the complaint is filed. Interested parties believed that this provision would make it effectively impossible to challenge a sale that has utilized a "drop-down LLC" and therefore has not presented documentation to the county auditor or paid the conveyance fee.

The bill also requires a third-party complainant to file an affidavit with the board of revision stating whether the complainant is acting on behalf of a political subdivision. If the political subdivision or third party does not comply with proper filing procedures, the subdivision or third party must pay the property owner's costs and attorney's fees incurred in the Board of Revision case.

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

Counties, CCAO at the Statehouse

Seneca County, OSWDO, and CCAO provide testimony on solid waste bill

On Wednesday, [Senate Bill 119](#) (Senator Bill Reineke) had a fourth hearing in the House Energy & Natural Resources Committee.

SB 119 makes several changes to the law governing solid waste and solid waste management districts (SWMD) in Ohio. The committee heard proponent, opponent, and interested party testimony on the bill.

Two Seneca County commissioners testified as proponents of the bill, [Commissioner Bill Frankart](#) and [Commissioner Anthony Paradiso](#). [Attorney Jack Van Kley](#) also testified in support of SB 119 on behalf of the Seneca County Board of Commissioners.

The Organization of Solid Waste Districts of Ohio (OSWDO) [testified](#) in opposition to the bill.

CCAO submitted [written interested party testimony](#) regarding the bill's provision providing for unilateral withdrawal from a joint SWMD.

If you have questions regarding SB 119, please contact [Rachel Reedy](#), CCAO Outreach & Member Engagement Manager.

CCAO provides written testimony on potential land bank amendment

On Tuesday, the House Civil Justice Committee held its third hearing on [House Bill 390](#) (Representative Richard Brown and Representative D.J. Swearingen), a bill concerning notice of excess funds in real property foreclosure sales. CCAO does not have a position on the bill but did provide [written interested party testimony](#) to the committee regarding an amendment that had been discussed in a prior hearing.

The amendment in question would limit the ability of counties to transfer abandoned, tax-foreclosed property directly to a county land bank or other political subdivision to only circumstances where the delinquent taxes on the property exceed the property's fair market value. Under current law, counties can directly transfer abandoned, tax-foreclosed property even if the fair market value exceeds the delinquent taxes due if the county utilizes the expedited foreclosure process (called the "alternative redemption period" in R.C. 323.78).

CCAO agreed with testimony offered by the [Ohio Land Bank Association](#) (OLBA) and the [County Treasurers Association of Ohio](#) (CTAO) that the amendment would eliminate an important tool that local governments use to manage blight. Current law protects property owners' rights since the alternative redemption period may only be used if the property is abandoned. The Revised Code already outlines a thorough process to ensure that property is not erroneously classified as abandoned.

During the hearing, Chair Brett Hillyer indicated there would be an amendment offered at next week's meeting that would aim to pursue the goal of the prior amendment while addressing the concerns raised by OLBA, CTAO, and CCAO.

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

CCAO-backed County Omnibus Bill referred to committee

This week, [House Bill 497](#) (Representative Brian Stewart and Representative Roy Klopfenstein), the county omnibus bill, was referred to the House State and Local Government Committee. The bill has several provisions intended to streamline county government by making non-controversial changes to county law. These include:

Approval of plans for courthouse or jail projects

The bill allows boards of commissioners to approve courthouse or jail renovation/repair projects that fall under \$25,000 without the approval of the clerk of court of common pleas, the sheriff, the probate judge, and the appointee of the judge of the court of common pleas. The board of commissioners may seek the advice of these elected officials. If the project is over the \$25,000 threshold, the current approval process in R.C. 153.36 remains in effect.

Contracts submitted to prosecuting attorney

The bill increases the dollar threshold for contracts the board of commissioners must submit to the county prosecutor for approval to \$20,000. This statute was last updated in 1953. The language also allows for contract certification by any duly appointed legal counsel of the board of commissioners for projects under this threshold.

Resolutions for disposing unneeded personal property

The bill raises the dollar threshold for the board of county commissioners to pass a resolution to sell or donate unnecessary or obsolete personal property to \$5,000.

Locations of construction plans

The bill changes the location for holding construction plans, drawings, representations, bills of material, specifications of work and estimates for public improvements, the building of a county home, the building of a children's home, and courthouse or jail renovation/repair projects under \$25,000 to the board of commissioners. Current law requires the county auditor to keep these items.

Transportation Improvement District legal services

The bill allows Transportation Improvement Districts (TIDs) to contract with the county prosecuting attorney for legal services.

Designating county depositories

The bill modifies the length of time that a county can add a public depository in R.C. 135.33(A) from "every four years" to "at least every two years."

Definition of "private practice of medicine"

The bill clarifies that "private practice of medicine" does not include performing an autopsy at the request of another coroner.

Coroner expert witness fees

The bill aligns the fees at \$350 per hour that a coroner or deputy coroner can charge for providing for expert testimony at a trial, hearing, or deposition in a civil action.

It is unclear when HB 497 will receive its first hearing since the chair position of the State and Local Government Committee is currently vacant. Representative Marilyn John (a former Richland County Commissioner) was removed from the position earlier this week in a reorganization of several committee chairships. Representative Rodney Creech (a former Preble County Commissioner) also was removed from his position as House Agriculture Committee chair.

Chairs for both committees, as well as those of the House Constitutional Resolutions Committee, the House Energy & Natural Resources Committee, the House Primary & Secondary Education Committee, and the House Public Health Policy Committee remain vacant as of 4:00 p.m., Friday, May 3.

Legislative Activity

Committee Hearings

The following committees held hearings this week regarding bills that may be of interest to counties.

House Economic and Workforce Development

- [House Bill 375](#) (Representative Steve Demetriou and Representative Tom Patton): To make changes to the law relating to tax foreclosures and county land reutilization corporations.
 - Second hearing, proponent testimony from the Ohio Land Bank Association.
- [House Bill 349](#) (Representative Tim Barhorst and Representative Don Jones): authorize the creation of areas within which incentives are available to encourage the development of natural gas pipelines and other infrastructure and to make an appropriation.
 - Third hearing, opponent testimony from the Ohio Environmental Council Action Fund.

House Ways and Means

- [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.
 - Sixth hearing, no testimony
 - **FAVORABLY REPORTED**
- [House Bill 378](#) (Representative Brian Lorenz and Representative Nick Santucci): To authorize a full homestead exemption for surviving spouses of members of the uniformed services killed in the line of duty.
 - Third hearing, no testimony
- [House Bill 424](#) (Representative Beth Lear): To modify the sales and use taxation of delivery network services.
 - Third hearing, no testimony

House Homeland Security

- [House Bill 472](#) (Representative Bernard Willis and Representative Bob Peterson): To make changes to the Election Law related to voter registration, voting, and the certification of voting systems.
 - First hearing, sponsor testimony.
- [House Bill 197](#) (Representative Jim Hoops and Representative Sharon Ray): To establish the community solar pilot program and the solar development program.
 - Fifth hearing, proponent testimony from more than 50 organizations and private individuals.

Introduction of Bills

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

- [House Bill 512](#) (Representative Gail Pavliga): To create a streamlined licensure process for emergency placement facilities for children and to require the Ohio Family and Children First Cabinet Council to work with stakeholders to develop treatment and placement solutions for children with developmental or intellectual challenges and high acuity behaviors.
- [Senate Bill 255](#) (Senator Stephen Huffman and Senator Terry Johnson): To revise the law governing coroners and death certificates.

- [Senate Bill 256](#) (Senator Louis Blessing, III): To modify the state's earned income tax credit, to increase the basic state minimum hourly wage, and to declare an emergency.

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, May 7

[House Commerce and Labor](#) (10:00 a.m.)

- [House Bill 327](#) (Representative Scott Wiggam and Representative D.J. Swearingen): To require government contractors, private nonresidential contractors, and certain employers to use E-verify.
 - Fourth hearing, no testimony
 - **POSSIBLE AMENDMENTS**
 - **POSSIBLE VOTE**

[House Behavioral Health](#) (1:00 p.m.)

- [House Bill 300](#) (Representative Rachel Baker and Representative Sharon Ray): To establish a pilot program for remote treatment of opioid use disorder and to make an appropriation.
 - Third hearing, opponent testimony
 - **POSSIBLE AMENDMENTS**
 - **POSSIBLE VOTE**
- [House Bill 300](#) (Representative Rachel Baker and Representative Sara Carruthers): To establish the Adverse Childhood Experiences Study Commission.
 - Third hearing, all testimony
 - **POSSIBLE VOTE**

[House Civil Justice](#) (1:00 p.m.)

- [House Bill 390](#) (Representative Richard Brown and Representative D.J. Swearingen): To revise the law relating to the notice of excess funds in real property foreclosure sales.
 - Fourth hearing, all testimony
 - **POSSIBLE AMENDMENTS**
 - **POSSIBLE VOTE**
- [House Bill 413](#) (Representative Sarah Fowler Arthur): To replace two part-time judgeships in the Ashtabula County County Court with one full-time judge and to include the village of North Kingsville and Kingsville, Monroe, and Sheffield Townships within the territorial jurisdiction of the Conneaut Municipal Court.
 - Second hearing, proponent testimony

House Criminal Justice (3:00 p.m.)

- [House Bill 478](#) (Representative Jay Edwards and Representative Jeff LaRe): To provide for the expedited removal of unauthorized occupants of residential property and to prohibit the use and sale of fraudulent deeds.
 - First hearing, sponsor testimony
- [House Bill 480](#) (Representative Tom Young and Representative Steve Demetriou): To provide for the expedited removal of unauthorized occupants of residential property, to prohibit the use and sale of fraudulent deeds, and to declare an emergency.
 - First hearing, sponsor testimony

House Ways and Means (3:00 p.m.)

- [House Bill 496](#) (Representative Jim Hoops): To revise the law governing property taxes and county auditors.
 - First hearing, sponsor testimony
- [House Bill 378](#) (Representative Brian Lorenz and Representative Nick Santucci): To authorize a full homestead exemption for surviving spouses of members of the uniformed services killed in the line of duty.
 - Fourth hearing, all testimony
- [House Bill 424](#) (Representative Beth Lear): To modify the sales and use taxation of delivery network services.
 - Fourth hearing, all testimony

Wednesday, May 8

House Finance (9:00 a.m.)

- [House Bill 484](#) (Representative Andrea White and Representative Bill Roemer): To establish certain child care grant programs, including those related to child care capacity and learning labs, and to make an appropriation.
 - First hearing, sponsor testimony
- [House Bill 71](#) (Representative Nick Santucci): To establish the Community Connectors Workforce Program and to make an appropriation.
 - First hearing, sponsor testimony
- [House Bill 464](#) (Representative Dontavius Jarrells and Representative Josh Williams): To establish the 'A HAND UP' pilot program, to designate this act as the Actionable Help And New Dignity for Upward Progression (A HAND UP) Act, and to make an appropriation.
 - First hearing, sponsor testimony
- [House Bill 396](#) (Representative Sean Brennan and Representative Josh Williams): To provide funding for the replacement of police dogs imprinted to detect marijuana, to reimburse those expenses from adult use excise tax revenue, and to make an appropriation.
 - First hearing, sponsor testimony