



STATEHOUSE REPORT

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Governor signs special session bills, Secretary of State issues advisory

Last week, the General Assembly held a special session pursuant to a declaration by Governor Mike DeWine to address two issues: to take steps to prevent foreign contributions to candidates and ballot issues and to ensure that President Joe Biden is able to appear on the November general election ballot.

The General Assembly passed two bills to accomplish these requirements:

- HB 1001, to prohibit foreign nations (including lawful permanent residents, also known as green card holders) from contributing to candidates or state or local ballot issues, to require ballot issue committees to register as PACs, and to generally require the Ohio Elections Commission to refer cases to the Attorney General.
- HB 1002, to require major political parties to certify their presidential ticket to the Secretary of State by September 1 (65 days before the election is held). The bill only applies to 2024.

Governor DeWine signed the bills into law on Sunday.

On Monday, Secretary of State Frank LaRose sent an advisory to county boards of elections regarding the temporary change. Since presidential and vice-presidential candidates are certified directly to the Secretary of State and not county boards, the advisory is explanatory in nature; it does not require any additional work or expense by county boards.

State Revenues exceed estimates in May with continued weakness in income tax collections

This week, the Office of Budget and Management [released preliminary data](#) for May 2024 state general revenue fund tax collections. Total GRF tax receipts for the month were above budget estimates by \$17.3 million, or 0.7%. With just one month left in FY 2024, year-to-date total tax revenues are below estimates by \$429 million, or 1.7%.

The state's two largest revenue sources are the sales tax and the income tax. Their performance has diverged over the course of the fiscal year. Income tax performance has been below expectations, with year-to-date collections lagging 5.4% below estimates. This is mostly due to larger than expected refunds. Although total sales tax collections did not hit monthly estimates for May, the tax has been a solid performer overall with total year-to-date collections of \$12.5 billion in line with expectations. Looking more closely at sales tax estimates, the non-auto sales tax has outperformed auto sales collections. Non-auto sales tax receipts are slightly above estimate for the year (0.1%).

When comparing actual state tax revenues with the previous fiscal year, FY 2024 total receipts year-to-date are \$832 million less than the same period last year. Solid performances from the sales tax and the commercial activity tax have not been enough to offset the impact of income tax rate cuts from last year's budget bill. This revenue weakness is also affecting Local Government Fund distributions. On the other hand, Medicaid caseload has fallen faster than anticipated, giving the state more room on the spending side.

The table below compares sales tax performance through the first 11 months of FY 2024 and FY 2023.

State GRF Sales Tax Performance (in millions), SFY 2024 & SFY 2023 (YTD through May)				
Source	Actual FY 2024	Actual FY 2023	Variation (\$)	Variation (%)
Non-Auto	\$10,748,158	\$10,466,076	\$282,083	2.7%
Auto	\$1,770,256	\$1,807,319	-\$37,062	-2.1%
Total	\$12,518,415	\$12,273,394	\$245,020	2.0%

Source: OBM

CCAO will continue to monitor revenues as the state approaches its first expanded sales tax holiday, which will occur from July 30 through August 8. The expanded sales tax holiday will replace the traditional "back to school" product exemptions with a general exemption on most tangible goods priced at \$500 or less. The state budget set aside \$750 million in a special fund to reimburse the state GRF and local governments for resulting revenue losses.

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

Capital budget bills to be introduced next week

[According to the Cleveland Plain Dealer](#), the House and Senate will release details of the state capital budget next Monday, with legislative text to be introduced either next week or

the week after. The details to be announced Monday will likely include how the Senate will spend its \$350 million in “One-Time Strategic Community Investment Fund” money and possibly some changes to the plans the House included in House Bill 2 earlier this year.

Also possible among the announcements on Monday is the amount of funding for county jail projects that will be included in the bills. The initial House version, HB 2, included \$250 million for jail projects, split between two funds: \$100 million for large county jail projects and the balance for projects in small and medium sized counties.

When the details of the capital budget are available, CCAO plans to send a legislative alert to membership to provide information concerning jail funding and other projects of note.

Legislative Activity

Committee Hearings

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

House Agriculture

- [House Bill 568](#) (Representatives Juanita Brent and Bill Dean): To create the Healthy Soils Task Force.
 - First hearing, sponsor testimony

House Families and Aging

- [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.
 - Third hearing, no testimony

House Government Oversight

- [House Bill 471](#) (Representatives Rodney Creech and Angela King): To allow an elector who is not a member of a political party to protest a person's candidacy for that party's nomination on certain grounds.
 - Third hearing, opponent testimony from a private individual.

House Health Provider Services

- [House Bill 236](#) (Representatives Beth Lear and Melanie Miller): To prohibit a congregate care setting from denying a patient or resident access to an advocate and to name this act the Never Alone Act.
 - Sixth hearing, no testimony.
 - **FAVORABLY REPORTED**

House Ways and Means

- [House Bill 378](#) (Representatives Brian Lorenz and Nick Santucci): To authorize a full homestead exemption for surviving spouses of members of the uniformed services killed in the line of duty.
 - Sixth hearing, no testimony.
 - **AMENDED** to clarify eligibility criteria
 - **FAVORABLY REPORTED**
- [House Bill 496](#) (Representative Jim Hoops): To revise the law governing property taxes and county auditors.
 - Third hearing, no testimony.

House Homeland Security

- [House Bill 333](#) (Representatives Bride Rose Sweeney and Kevin Miller): To prohibit law enforcement agencies from using quotas for arrests and citations
 - Second hearing, proponent testimony from the Ohio Patrolmen's Benevolent Association, the Fraternal Order of Police, Ohio Families Unite for Political Action and Change, Unite Peace, the Capital City Lodge of the FOP, and two private individuals.

Introduction of Bills

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

- [House Bill 617](#) (Representative Thaddeus Claggett): To allow for the creation of water improvement districts 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, June 11

House Agriculture (9:00 a.m.)

- [House Bill 549](#) (Representatives Cecil Thomas and Willis Blackshear): To authorize a county to implement a motor fuel quality testing program.
 - First hearing, sponsor testimony

House Economic and Workforce Development (11:00 a.m.)

- [House Bill 349](#) (Representatives Tim Barhorst and Don Jones): To 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.
 - Fifth hearing, no testimony
 - **SUBSTITUTE BILL**
 - **POSSIBLE VOTE**

- [House Bill 375](#) (Representatives Steve Demetriou and Tom Patton): To make changes to the law relating to tax foreclosures and county land reutilization corporations.
 - Third hearing, opponent testimony

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

- [House Bill 497](#) (Representatives Brian Stewart and Roy Klopfenstein): To make various changes regarding county law.
 - Third hearing, all testimony
 - **POSSIBLE AMENDMENTS**
 - **POSSIBLE VOTE**
- [House Bill 373](#) (Representatives Scott Wiggam and Brian Stewart): To authorize a clerk of court to conduct the required physical inspection of a motor vehicle in specified circumstances.
 - Fourth hearing, interested party testimony
- [House Bill 491](#) (Representatives Tom Young and Bob Peterson): To require a political subdivision or state retirement system to provide information on expenditures to the Treasurer of State for inclusion in the Ohio State and Local Government Expenditure Database.
 - Second hearing, opponent testimony

House Ways and Means (4:00 p.m.)

- [House Bill 496](#) (Representative Jim Hoops): To revise the law governing property taxes and county auditors.
 - Fourth hearing, all testimony
 - **POSSIBLE AMENDMENTS**
 - **POSSIBLE VOTE**

Wednesday, June 12

House Technology and Innovation (9:30 a.m.)

- [House Bill 507](#) (Representative Brett Hillyer): To extend legal safe harbor to political subdivisions that implement a specified cybersecurity program.
 - First hearing, sponsor testimony

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

- [Senate Bill 271](#) (Senators Louis Blessing, III, and Hearcel Craig): To authorize a refundable income tax credit or rebate for homeowners and renters whose property taxes or a portion of their rent exceed five per cent of their income.
 - First hearing, sponsor testimony
- [Senate Bill 224](#) (Senator Tim Schaffer): To modify the sales and use taxation of delivery network services.
 - Third hearing, all testimony