STATEHOUSE REPORT

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Full OTSCIF allocations introduced, capital budget expected next week

This week, the Senate introduced [Senate Bill 288] (Senator Matt Dolan) which allocates the full $700 million from the One-Time Strategic Community Investment Fund (OTSCIF) that was created in the state operating budget. The House and Senate informally agreed to a split where each chamber would allocate $350 million; SB 288 contains both chambers' allocations.

The bill provides funding to 653 projects across the state, with many county projects receiving funding. Erie County and Medina County both received funds for safety projects in their county jail: Erie County for surveillance upgrades and Medina County for general safety enhancements. Additionally, many county fairs received funding for renovations, construction, and other projects.

CCAO identified at least 77 projects, totaling $117.3 million, across 49 counties that are county government related projects. A full list of the OTSCIF projects can be found in SB 288's fiscal note.

Next week, the General Assembly is expected to release the text and appropriations for the capital budget. SB 288 will likely be amended into the final capital budget and moved as a single measure. CCAO will distribute a legislative alert next week when the particulars of the capital budget are released. As a reminder, the House version of the capital budget, passed in April, included $250 million for county jail projects.

County Omnibus Bill amended, vote delayed to next hearing

On Tuesday, House Bill 497 (Representatives Brian Stewart and Roy Klopfenstein), the county omnibus bill, received its third hearing before the House State and Local Government Committee. The bill was amended to make the following changes.

- **County contract terms and conditions:** The amended bill makes certain terms and conditions unenforceable if they are included in county contracts, including an indemnity clause; a requirement for binding arbitration; and, naming a court or venue for legal action outside of the county. The language is based on an existing law that applies to state contracts.

- **Contract approval:** HB 497 as introduced added the ability for commissioners to use outside counsel to approve contracts, rather than the prosecuting attorney. This amendment removes that ability. The increased threshold of $20,000 for commissioners to have prosecutor approval of a contract remains in the bill.

- **Design services for county improvements:** HB 497 as introduced added a threshold under which projects would not require professional design or engineer services. The amendment removes a dollar threshold and instead exempts "minor repairs" from needing professional design or engineer services and defines "minor repairs." The "minor repairs" definition was copied from the Ohio Administrative Code.

- **Public depositories:** The amendment allows commissioners to add additional public depositories one additional time during the four-year designation period in current law. This keeps the default at every four years (current law) but allows another option for commissioners during the default period.

- **Transportation Improvement District (TID) Legal Counsel:** The amendment keeps the option for a TID, with consent of the prosecuting attorney and approval from the commissioners, to use the prosecuting attorney for legal counsel but alters the language to mirror similar language in R.C. 309 for port authorities and other bodies that requires the arrangement to be via contract.

No witnesses offered testimony on the legislation. Committee Chairman Wiggam stated that he plans to have a fourth hearing for the bill prior to the legislature's summer break.

We appreciate the bill sponsors, co-sponsors, and the members of the House State and Local Government Committee for the continued opportunity to put forth these commonsense policy changes. If you have questions about HB 497, please contact the CCAO Policy Team at policy@ccao.org.

County related bills pass out of both chambers during busy sessions

This week, both the House and Senate had floor sessions as they continue to work in the lead up to a summer recess. Both chambers held votes on county-related bills, which are discussed below.

House

During the House's Wednesday session, the chamber voted on four bills that will affect counties, all of which passed.

HB 7

First, the chamber voted 72-19 to pass House Bill 7 (Representatives Andrea White and Latyna Humphrey), which makes several statutory changes, creates programs, and allocates funds to help reduce infant and maternal mortality. The bill, which is not estimated to have a local fiscal cost, appropriates $35 million over the current fiscal biennium, although since SFY 2024 ends in two weeks, that figure will likely be revised should the bill progress through the Senate.

HB 327

Next, the chamber voted 85-6 to pass House Bill 327 (Representatives Scott Wiggam and DJ Swearingen), which requires all political subdivisions, including counties, to use the federal employment verification ("E-verify") system administered by the US Department of Homeland Security. This requirement also applies to the state; any employer with 75 or more employees in Ohio; and any nonresidential construction contractor with one or more employees in Ohio. Any private contract for a nonresidential construction project must include a provision extending the E-Verify requirement to the general contractor and all subcontractors that provide construction services on the project, regardless of tier.

The bill also requires each state agency or political subdivision, including a county, that contracts for the construction or maintenance of a public improvement to include a provision requiring the contractor and all subcontractors to use E-Verify to confirm the identity and legal working status of (1) all employees hired during the contract term that perform duties in Ohio and (2) all employees assigned to perform work in Ohio on the contract. Maintenance excludes utilities, waste management, software systems, and information technology systems.

The E-Verify requirement may be waived for an employee who is rehired after being previously confirmed using the E-Verify system and individual's eligibility to work does not have to be reconfirmed under federal law. The state attorney general will conduct periodic reviews of public contracts to ensure that the E-Verify provision is included. A political subdivision will be fined $5,000 for each failure to include the provision in a contract.

HB 331

The chamber also passed House Bill 331 (Representatives Adam Mathews and Tom Young), which modifies the law regarding village dissolution, by a vote of 88-3. The bill creates a method by which, after ever federal decennial census, the county board of revision (upon which a commissioner sits) would evaluate every village within the county and determine if it meets at least five of ten criteria based on what services it provides and if each elected position had a candidate running in the race over the prior decade. If these conditions are not met, a ballot issue to potentially dissolve the village is automatically placed on the ballot at the next even numbered general election year.

HB 378

Finally, by a vote of 90-1, the House passed House Bill 378 (Representatives Brian Lorenz and Nick Santucci), which permits a complete exemption from property taxes for the surviving spouses of uniformed armed services members killed in the line of duty. The surviving spouse must apply to the county auditor to establish eligibility. Unlike the standard homestead exemption, there are no income eligibility limits for an applicant. The exemption continues until the surviving spouse dies, remarries, or cohabitates with another unrelated person. The exemption is estimated to cost about $4 million per year statewide, but the counties and other taxing districts will be reimbursed by the state in the same manner as the standard homestead program.

Senate

During the Senate's session on Wednesday, two bills that may affect counties were passed by the chamber.

SB 186

First, Senate Bill 186 (Senators Bill Blessing and Catherine Ingram) passed 32-1. The bill creates a new requirement that a purchaser of a foreclosed property must submit an affidavit to the officer charged with transferring the title, stating that the purchaser has made an inquiry with the county treasurer in each county in which the purchaser owns property and has been informed by each treasurer that the purchaser does not own property against which delinquent taxes are assessed. The requirement applies to an individual or to a pass-through entity in which the individual owns at least a 10% interest.

If a delinquency exists, the affidavit may also state one of the following along with supporting documentation:

- An assessment was made but the delinquency has since been paid;
- That the delinquency has been misassigned due to a name change, pending transfer, or administrative error;
- The property is the subject of litigation that challenges the ownership and may absolve the owner of delinquency;
- There are other circumstances that demonstrate the delinquency does not result from intentional action on the part of the purchaser.

The bill also creates a new requirement that current and estimated taxes must be paid to record a transfer of title with the county recorder. This applies to any property that is being sold, subdivided, or auctioned at a sheriff's sale or other foreclosure proceeding.

SB 176

The Senate also passed Senate Bill 176 (Senators Vernon Sykes and Mark Romanchuk), which allows courts to extend, issue, or modify a child support order for a person with a disability regardless of if they have reached the age of 18. This includes during the proceedings of a divorce, marriage dissolution, legal separation, or annulments, as well as all other circumstances where a child support order can be issued or modified. The bill passed by a vote of 32-1.

Other county bills clear committees, setting up possible future floor consideration

HB 512

On Tuesday, House Bill 512 (Representative Gail Pavliga) received its fourth hearing before the House Families and Aging Committee. No testimony was offered before the committee voted to favorably report the bill unanimously. HB 512 would create a streamlined, expedited process to license beds or a facility for crisis stabilization. The bill would also require the Ohio Family and Children First Cabinet Council to continue working with stakeholders, including CCAO, to develop placement crisis and treatment solutions.

CCAO previously submitted proponent testimony on the bill, as did the Public Children Services Association of Ohio. The bill now heads to the full House for consideration.

If you have questions about HB 512, please contact Rachel Reedy at rreedy@ccao.org.

HB 349

Also on Tuesday, House Bill 349 (Representatives Tim Barhorst and Don Jones), received its fifth hearing in the House Economic and Workforce Development Committee. During the hearing, the committee accepted a substitute bill that made a number of administrative changes to the structure of the EnergizeOhio program to generally make it more aligned with other existing tax incentive programs. The changes were requested by the Department of Taxation and were agreed to by the bill sponsors.

CCAO previously submitted proponent testimony on the bill, as did Washington County Commissioner Charlie Schilling. The bill now heads to the full House for consideration.

If you have questions about HB 349, please contact James Kennedy at jkennedy@ccao.org.

Legislative Activity

Committee Hearings

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

House Agriculture

- 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 Commerce and Labor

- Senate Bill 96 (Senators George Lang and Steve Wilson): To allow employers to post certain labor law notices on the Internet.
    - Fourth hearing, proponent testimony from the Ohio Credit Union League
    - **FAVORABLY REPORTED**

House Economic and Workforce Development

- 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, no testimony

House Families and Aging

- House Bill 583 (Representatives Andrea White and Phil Plummer): Regarding residential facilities for foster children.
    - First hearing, sponsor testimony
    - **SUBSTITUTE BILL** to replace placeholder language

House Government Oversight

- House Bill 208 (Representative Thomas Hall): To require an elector to register as a member of a political party in order to participate in that party's primary election.
    - Third hearing, opponent testimony from the League of Women Voters of Ohio
- House Bill 499 (Representatives Dani Isaacsohn and Adam Mathews): To create grant programs for housing developments near megaprojects and for townships and municipalities that adopt pro-housing policies, to modify the community reinvestment area law relating to residential property, and to limit the 10% nonbusiness property tax credit.
    - Third hearing, interested party testimony from the Ohio Manufacturers Association and opponent testimony from the Ohio Real Estate Investors Association.
- House Bill 391 (Representatives Scott Wiggam and Scott Lipps): To make changes to the laws governing accessible parking.
    - Third hearing, no testimony

House State and Local Government

- 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, no 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 from the Ohio Rural Water Association

House Ways and Means

- House Bill 496 (Representative Jim Hoops): To revise the law governing property taxes and county auditors.
    - Fourth hearing, no testimony
    - **FAVORABLY REPORTED**

Senate Community Revitalization

- Senate Bill 253 (Senator George Lang): To revise the law governing lead testing, certification, and tax credits.
    - First hearing, sponsor testimony

House Finance

- Senate Bill 94 (Senators Andrew Brenner and Al Landis): To make various changes regarding recorded instruments, powers of attorney, judgment liens, mortgage subrogation, law enforcement towing laws, and state stock banks, and to make an appropriation.
    - First hearing, sponsor testimony; proponent testimony from the Ohio Recorders Association, the Ohio State Bar Association, the Ohio Realtors, Zillow, and three organizations; opponent testimony from the Coalition on Homelessness and Housing in Ohio; and interested party testimony from Habitat for Humanity of Ohio.

House Homeland Security

- House Bill 237 (Representatives Kevin Miller and Phil Plummer): To make changes to the laws governing all-purpose vehicles, off-highway motorcycles, snowmobiles, utility vehicles, and mini-trucks
    - Fourth hearing, opponent testimony from the Recreational Off-Highway Vehicle Association
    - **AMENDED** to remove a provision pertaining to forfeiture proceedings for vehicles used to flee law enforcement.

House Technology and Innovation

- 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

- 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, interested party testimony from Meijer Inc.

Introduction of Bills

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

- Senate Bill 287 (Senator Bill DeMora): To authorize a property tax freeze for certain owner-occupied homes.
- Senate Bill 291 (Senators Steve Wilkin and George Lang): To exempt from sales and use tax items purchased by a logistics business to transport manufactured products, general merchandise, and grocery products.

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 18

House Finance (11:00 a.m.)

- House Bill XXX (Representative Jay Edwards, ***PENDING INTRODUCTION***): Capital Budget Bill
  - First hearing, all testimony
- House Bill 315 (Representatives Thomas Hall and Bill Seitz): To revise the law pertaining to townships
  - First hearing, all testimony
- House Bill 573 (Representatives Phil Robinson and Juanita Brent): To increase the percentage of state tax revenue allocated to the Local Government Fund.
  - First hearing, sponsor testimony

Thursday, June 20

House Finance (9:00 a.m.)

- House Bill XXX (Representative Jay Edwards, ***PENDING INTRODUCTION***): Capital Budget Bill
  - Second hearing, all testimony