STATEHOUSE REPORT

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County Omnibus Bill clears Senate, returns to House for concurrence

On Tuesday, House Bill 497 (Representatives Brian Stewart and Roy Klopfenstein), the county omnibus bill, was reported unanimously by the Senate Local Government Committee. On Wednesday, the full Senate passed HB 497 unanimously. Before the committee vote, the committee adopted a substitute bill with several changes, including:

- Increases the proposed threshold from $25,000 to $75,000 for boards of commissioners to approve courthouse or jail renovation/repair projects 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 exceeds the $75,000 threshold, the current approval process in R.C. 153.36 remains in effect.

- Modifies notice requirements for county competitive bidding to allow publication in a newspaper, a newspaper's website, the state public notice website, or the county's website and social media account.

- Allows the county public records commission to meet upon the chairperson's call rather than at least every six months.

- Updates the coroner language to state that private practice of medicine includes the performance of an autopsy at the request of another person, including another coroner, a hospital, a business entity, an institution of higher education, or any other person.

- Includes additional provisions related to county coroners contained in SB 255.

- Provides more flexible educational requirements upon hiring a children services caseworker and gives permissive authority for a PCSA director to waive, for an employee in good standing, the requirement to obtain a job-related bachelor's degree within five years of employment.

- Adds municipal courts in Erie County to the list of courts with territorial jurisdiction of the international boundary on Lake Erie in R.C. 1901.023.

- Two land conveyance measures in Montgomery and Knox Counties.

As a reminder, the following provisions are included in HB 497.

<u>Contracts submitted to the prosecuting attorney</u>
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.

<u>County contract terms and conditions</u>
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 the naming of a court or venue for legal action outside of the county. The language is based on an existing law that applies to state contracts.

<u>Resolutions for disposing unneeded personal property</u>
The bill raises the dollar threshold for a board of county commissioners' requirement to pass a resolution to sell or donate unnecessary or obsolete personal property to $5,000.

<u>Design services for county improvements</u>
The bill exempts "minor repairs" from needing professional design or engineering services and defines them. The definition of "minor repairs" was copied from the Ohio Administrative Code.

<u>Locations of construction plans</u>
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.

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

<u>Designating county depositories</u>
The bill allows commissioners to add additional public depositories one additional time during the four-year designation period in current law.

<u>Competitive bidding notification requirements</u>

The bill updates competitive bidding notification requirements to align with changes made in the state operating budget last year. Current law requires counties to provide notice of competitive bidding opportunities for any project estimated to cost more than $50,000 instead of the updated competitive bidding threshold enacted by the operating budget.

Coroner expert witness fees

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

Juvenile court transfer

The bill specifies that any court cost, fine, restitution, or other monetary penalty imposed at the time of a transfer to the juvenile court of the child's residence is not a final, appealable order.

We appreciate the bill sponsors, co-sponsors, the Senate Local Government Committee members, and the Senate for their support on these commonsense issues. HB 497 now heads back to the House for a concurrence vote.

If you have questions about HB 497, please contact the CCAO Policy Team at policy@ccao.org.

Public Works Reauthorization resolutions still await action as Lame Duck nears end

Both chambers have passed joint resolutions to place a constitutional amendment before the voters in May to reauthorize the State Capital Improvement Program (SCIP) of the Public Works Commission. The program relies on state general obligation debt and thus requires constitutional authorization. House Joint Resolution 8 (Representatives Scott Oelslager and Dan Troy) is in the Senate Committee on Rules and Reference while Senate Joint Resolution 4 (Senators Brian Chavez and Hearcel Craig) is in the House Finance Committee.

Joint resolutions cannot be amended into bills, so one of the two chambers must vote to adopt the other's resolution before the General Assembly ends on December 31. If the measure is not placed on the ballot in May, SCIP funding will lapse, causing delays to needed infrastructure projects across the state.

Members should remind their legislators of the importance of this program.

House, Senate sessions see action on county-related bills

This week, the House and the Senate both held sessions and considered several bills pertaining to counties.

House

Tuesday

House Bill 274, Expanded Homestead Exemption

By a vote of 78-11, the House passed HB 274 (Representatives Adam Mathews and Richard Dell'Aquilla), which expands the homestead exemption for individuals who meet the existing homestead exemption criteria, including income limits, and who have occupied the homestead or manufactured home for 20 or more consecutive years (including surviving spouses). This exemption is for $50,000, with the figure indexed to inflation for future tax years. The exemption would start in tax year 2025 for real property and tax year 2026 for manufactured homes.

The portion of a property's property tax bill eliminated due to the homestead exemption is reimbursed to local taxing authorities, so there is no lost revenue from the bill. CCAO provided proponent testimony in the House Ways and Means Committee.

HB 274 now moves to the Senate for consideration.

Senate Bill 195, Ohio River Commission amendment

The House passed SB 195 (Senator Nathan Manning), which creates the Ohio-Ireland Trade Commission, by a vote of 67-21. An amendment was added to create the Ohio River Commission during the House committee process.

Under the bill, the Ohio River Commission will help develop and promote economic development, marine cargo terminal operations, and travel and tourism along the Ohio River and its tributaries. The Commission will also be able to issue grants and loans for Ohio River infrastructure and transportation.

Senior Policy Analyst Jon Honeck provided proponent testimony on the House version of a bill supporting the creation of the Commission (House Bill 469), and Policy Analyst James Kennedy provided proponent testimony on the Senate version of the bill (Senate Bill 286). The testimonies emphasized that the Commission would enable a coordinated approach to maximizing the region's economic potential by creating a master plan to help direct projects.

Wednesday

Senate Bill 198, Jail Funding Formula Fix

CCAO has been working with the legislature and the Ohio Department of Rehabilitation and Correction to modify the statutory formula for jail construction grants in the most recent operating budget. On Wednesday, the House State and Local Government Committee, chaired by former Wayne County Commissioner Scott Wiggam, adopted an amendment to SB 198 (Senators George Lang and Nathan Manning) that modifies the formula.

The language retroactively makes the currently required state's portion of the basic project cost for local jail facility projects a minimum amount. For example, if the state's portion under current law is 80%, the state's portion under the amendment would be a minimum of 80%, and the state could elect to provide a greater amount. Modifying the formula percentage is necessary to account for the impact of inflation on jail construction projects and ensure the projects are completed.

The House passed SB 198 by a vote of 71-0. It now awaits a concurrence vote in the Senate.

Senate Bill 44, Engineer Contracting, Port Authority Creation, and Foreclosure Amendments
SB 44 (Senator Andrew Brenner) passed by a vote of 61-11. Originally only containing provisions requiring state agencies, offices, and departments that issue licenses to create an electronic application process, three amendments of interest to counties were added before the House State and Local Government Committee reported the bill.

First, the committee added House Bill 430 (Representatives Roy Klopfenstein and Elgin Rogers, Jr.), which changes the law governing county engineers, to the bill with a small revision. The bill allows boards of commissions to contract with another county's engineer if the office is vacant and cannot be filled and requires the contracting county to pay the contracted engineer based on the county's population.

Unlike HB 430, the amendment added to SB 44 gave the county the ability to negotiate the salary that it pays the contracted engineer. The county may pay between 80% and 100% of what an elected engineer in their county would receive under statute.

The amendment also eliminates the separate compensation schedules for engineers with and without a private practice, applying the schedule without a private practice to all engineers.

The committee also added an amendment allowing a county in an existing port authority to create a new authority under certain conditions. First, the existing port authority must cover an area that includes more than one county, and second, the county creating the new port authority must have a population of less than 100,000. The amendment was added to help Fayette County foster economic development around the new Honda battery plant.

Finally, the committee added an amendment that requires a land bank that acquires abandoned land through the expedited tax foreclosure process to sell the property at auction or through public solicitation of bids. The land bank must keep a record of the property's previous tax delinquency, foreclosure costs, and costs incurred while holding the property.

If the sale price exceeds the total costs, the land bank must send the remaining proceeds to the county treasurer, who must keep them for three years and attempt to contact the owner. If the funds are unclaimed after three years, they will revert to the county or the land bank.

Senate Bill 37, Driver's License Suspensions and Amendments
After the bill was amended during the committee process, the House passed SB 37 (Senators Louis Blessing III and Catherine Ingram) by a vote of 87-4. The bill's main provisions pertain to driver's license suspensions; of note to counties are provisions allowing child support enforcement agencies to consider whether a license suspension would prevent an individual from paying child support and to notify the Registrar of their determination.

Two standalone bills, [House Bill 30](#) (Representative Latyna Humphrey) and [House Bill 303](#) (Representatives Thomas Hall and Nick Santucci), were amended into SB 37.

First, HB 30 requires correctional facilities housing female inmates to provide inmates experiencing a menstrual cycle with feminine hygiene products at no cost. This codifies existing practice and will have minimal fiscal impact on county jails.

Second, HB 303 creates a formal process through which a person may request the State Board of Emergency Medical, Fire, and Transportation Services to add new training or continuing education subjects for EMS personnel.

As a note, during the same session, the House concurred with Senate amendments to HB 303, thus sending the bill to the Governor for signature.

House Bill 512, Emergency Placement Beds

The House also passed House Bill 512 (Representative Gail Pavliga), which 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 and the Public Children Services Association of Ohio submitted proponent testimony on the bill, now headed to the Senate for consideration.

Senate

Wednesday

House Bill 315, Township Bill, Amendments

HB 315 (Representatives Thomas Hall and Bill Seitz), the township omnibus bill, unanimously passed the Senate, but the House did not concur with Senate changes by a vote of 2-87. The bill will head to the conference committee next week.

The core provisions of the bill concern township processes, but the Senate made numerous changes in a substitute bill accepted in the Senate Local Government Committee. The changes that impact counties include the following provisions:

- Modify the definition of a "lead entity" that can apply to the Department of Development's brownfield remediation program to include a county, township, municipal corporation, port authority, conservancy district, park district, county land reutilization corporation, or for-profit organization, and eliminate the requirement that grants issued at the end of the calendar year based on unspent money be limited to 75 percent of a project's total cost.
    - This change does not affect applications that are currently pending.
- Allow a cooperative economic development agreement (CEDA) between a city and a township to include a provision allowing the city's subdivision regulations and building codes to supersede county regulations in a 600-acre area in the township

designated under the CEDA for mixed-use development of at least 1,000 housing units.

  - This authority can only be applied to a CEDA in effect as of June 30, 2025.
  - The amendment is written in such a way as to restrict its application to Licking County.

- Include elections officials under the law exempting public service workers' residential and familial information from being disclosed as public records.
- Permit a judge and prosecuting attorney to submit an affidavit to have their names removed from the general tax list and duplicate of real and public utility property and be replaced with their initials.
- Removed a $2 million appropriation for a grant program to support local government revisions to their zoning plans.

House Bill 308, Amendments
HB 308 (Representatives Dick Stein and Sean Brennan), a bill to include nuclear energy in the definition of "green energy," was passed by the Senate by a vote of 24-7. Later in the day, the House concurred with the amendments added by the Senate (discussed below) by a vote of 64-26. The bill now heads to Governor Mike DeWine for signature or veto.

The bill received amendments while in the Senate, including two of note to counties.

First, the bill clarifies that boards of health may use revenue from the general disposal fee on construction and demolition debris disposed at applicable sites to administer and enforce solid and hazardous waste laws. It also expands the allowed purposes of such spending to include mitigating any impacts to the public of a site within the district's jurisdiction, including inspecting the facility.

This language was taken in part from Senate Bill 119 (Senator Bill Reineke), a bill to address solid waste district composition and subsequent conversations.

Additionally, language was added to clarify the pole replacement fund created in House Bill 33, the current operating budget. The fund's intent is to reimburse certain internet service providers for the cost of necessary pole replacements and undergrounding project costs. The Department of Development wanted to provide statutory clarity so that the fund could support undergrounding projects. The clarifying language also caps the amount of funds that can be used for underground projects.

House Bill 74, State IT Review and Election Amendments
By a vote of 24-7, the Senate passed HB 74 (Representatives Thomas Hall and Mary Lightbody), a bill to examine and develop recommendations to improve cybersecurity and fraud prevention practices across state agencies. While in the Senate Financial Institutions

and Technology Committee, the bill was amended to include several provisions about election administration.

The election language eliminates the requirement that the Bureau of Motor Vehicles send any voter registrations and updates by paper form to county boards of elections, instead requiring them to be sent electronically to the Secretary of State. The BMV is still, however, required to forward any paper voter registration forms that are returned to deputy registrars to the local board of elections.

The language also requires election boards to conduct post-election audits for all elections instead of just general and primary elections held in even-numbered years.

The amendments also made small modifications to the approval of voting systems and prohibited the Secretary of State and boards of elections from acquiring a voter registration system or ballots-on-demand voting systems that have not been properly certified under the new provisions. A grandfather clause is included to allow counties that are using such a system to continue doing.

Finally, in a provision that does not affect counties but is of note given recent events, the bill requires the Attorney General to certify that the title of any statewide initiative or referendum petition is fair and truthful. This comes after Attorney General Dave Yost rejected the petition for an amendment to eliminate qualified immunity due to its lack of a title, which the Ohio Supreme Court overruled because the AG lacked the statutory authority to review a petition's title.

CCAO provides proponent testimony on public records exemption, utility vehicle bills

Senate Bill 186, Foreclosed Property Auction, Amendments

SB 186 (Senators Bill Blessing and Catherine Ingram) creates a new requirement that a purchaser of a foreclosed property must submit an affidavit to the effect that the purchaser is not delinquent on property taxes owed on other properties. The affidavit must be submitted to the officer charged with transferring title to real property, 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 purchaser may provide an explanation of any extenuating circumstances, such as ongoing litigation.

The House Ways and Means Committee held its second hearing on the bill this week. CCAO submitted proponent testimony, as did the County Treasurers Association, the County Auditors' Association, the Ohio Land Bank Association, and the County Prosecutors' Association. The committee adopted an amendment that removed a provision in the bill that required property taxes to be paid before a lot can be split or transferred. The committee also added the following amendments:

- A provision that allows counties and other local governments to place a property tax lien on a hotel that is delinquent in its lodging taxes.
- A requirement that any local taxing authority that wishes to submit a property tax levy to the voters must first receive a hearing on the matter from the county budget commission. The commission must hold a hearing within 30 days of receiving the certification.
- A provision requiring the tax commissioner to recommend, in consultation with county auditors, a method to equalize the number of counties undergoing assessment cycles by granting a temporary extension for certain counties between 2030 and 2035.
- A requirement that county auditors include the rates of all unvoted taxes, organized by subdivision and purpose, and a description of each tax and its legal basis in their annually published property tax schedules.
- A provision modifying the oversight of the Department of Taxation of county auditors' assessment processes. The provision requires the department to use a sample provided by the county auditor rather than the current practice of the department determining which properties are included. The amendment gives the department the authority to appeal the auditor's decision to the Board of Tax Appeals.
- A clarification of the commercial activity tax law that receipts from the sale of a motor vehicle to Ohio only if an Ohio title is issued.

The Committee Chairman, Representative Bill Roemer, expressed his intention to hold a hearing next week with a possible vote.

House Bill 265, Public Service Workers Record Exemption

This week, the Senate Judiciary Committee held a second hearing on HB 265 (Representatives Scott Wiggam and Thomas Hall), a bill to exempt work schedules for designated public service workers from disclosure under public records law and exempt documents used to request redaction from public records law as well.

The Legislative Service Commission estimates that there may be a small increase in local costs as staff time will be needed to identify information that needs to be redacted; however, that increase may be offset by the reduction in public records requests for redacted information.

Wayne County Commissioner Jon Hofstetter testified on behalf of CCAO at the hearing. He stressed that the bill will increase the peace of mind of public safety workers who spend extended periods away from their families. This can, in turn, help retain and recruit these vital workers.

House Bill 237, ATV UTV vehicles

House Bill 237 (Representatives Kevin Miller and Phil Plummer) received its fifth hearing the House Homeland Security Committee on Wednesday. CCAO Managing Director of Policy Kyle Petty provided proponent testimony on behalf of CCAO.

The bill updates the definitions in the Revised Code for utility and all-terrain vehicles, among other vehicles, to allow for effective titling of the vehicles. Additionally, the bill allows counties to regulate the use of these vehicles on county roads. Following the hearing, the bill was voted out of committee and awaits a vote of the full House of Representatives.

Bills of note to counties receive hearings, amendments

This week, the General Assembly held hearings on bills that the Association is monitoring.

House Bill 331, Village Dissolution

House Bill 331 (Representatives Adam Mathews and Tom Young), which modifies the law regarding village dissolution, received its third hearing in the Senate Local Government Committee. The bill creates a method by which, after every federal decennial census, the county auditor, county treasurer, and one county commissioner 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.

During the hearing, the committee adopted a substitute bill requiring the county officials to request information from the villages, and for the villages to supply the information to assist the county officials in making their determination. It also allows a village contract with a regional council of governments that includes at least three governments, at least two of which must be municipalities, to satisfy the service delivery provision.

House Bill 257, Virtual Meetings

This week, the Senate Government Oversight Committee held a fourth hearing on HB 257 (Representatives Jim Hoops and Thaddeus Claggett), during which the bill was referred out of committee with an amendment. The amendment clarifies that boards made up of elected officials and compensated individuals would not be able to meet virtually. The amendment also clarifies that a board would be prohibited from meeting virtually if the meeting or hearing is held to vote on a significant nonroutine expenditure, significant hiring decision, or tax-related matter.

However, there is an exemption to the prohibitions above. If an elected official is part of a "multi-party meeting," they would, however, be able to meet virtually if the meeting or hearing does not involve the following: to vote on a significant nonroutine expenditure, significant hiring decision, or tax-related matter.

A multi-party meeting is one in which the members of a public body and the members of at least one other public body are participants.

The amendment and the bill were adopted and unanimously passed out of committee. It remains to be seen if the bill will be heard on the Senate floor, as only one week remains in the currently scheduled Lame Duck period.

Update on reimbursement for Expanded Sales Tax Holiday

House Bill 33, the state operating budget for FY 2024-2025, established an expanded sales tax holiday in August that provides an exemption for tangible goods costing $500 or less. Automobiles and watercraft that require titling, as well as alcohol, tobacco, and marijuana products, are not eligible for the exemption.

The expanded holiday is in permanent law and replaces the previous "back-to-school" sales tax holiday in years in which the state has a year-end General Revenue Fund budget surplus of at least $60 million. HB 33 set aside funds to reimburse counties and transit authorities for lost revenue from the holiday.

The first expanded sales tax holiday occurred from July 30 to August 8, 2024. Vendors reported sales tax revenue from August sales to the Ohio Department of Taxation in September, and the department distributed this revenue to counties in November. The November distribution did not include reimbursements for lost revenue from the holiday.

The Ohio Department of Taxation and the Ohio Office of Budget and Management have finalized their reimbursement calculations, and funds should be provided to county auditors starting December 17. The amounts will be provided separately from the standard sales tax distribution.

Preliminary information is that the total amount distributed to counties will be approximately $25 million and to transit authorities approximately $9 million. Reimbursements for the Local Government Fund will be provided separately. Temporary law directs the state to calculate the reimbursement by analyzing the difference between expected annual sales tax growth and actual returns filed for August sales.

Retirement Study Council adopts staff recommendation to oppose Ohio Police & Fire Pension Fund employer contribution rate increase

Last week, the House of Representatives passed House Bill 296 (Representatives Cindy Abrams and Thomas Hall) by a vote of 66-25. Among the bill's provisions is an increase in employer contribution rate for police officers from 19.5% to 24% with a six-year phase-in, eventually making the contribution level equal to that of firefighter employers. These public safety workers are covered by the Ohio Police & Fire Pension Fund (OP&F). The increase would be the first for the fund since 1986.

As a note, county sheriffs and deputies are a part of the Ohio Public Employee Retirement System – Law Enforcement (OPERS LE) pension system. Counties are not under the purview of HB 296.

This week, members of the Ohio Retirement Study Council (ORSC) received a report from their staff on HB 296. The staff recommended that the ORSC oppose HB 296.

In the report and testimony before the council, ORSC staff primarily discussed the bill's impact on retirement policy precedent. They stated that an adjustment in employer rates has historically not been used to address funding challenges or provide increased benefits. The ORSC staff expressed concern about the downstream impact of the sizeable employer increase contained in HB 296 on other retirement systems that rely on stable employer contribution rates.

During the discussion, some ORSC members suggested that employer rate increases would exacerbate budgetary difficulties that local governments have experienced since the Local Government Fund was cut a decade ago. Also discussed was whether the state should be bound by precedent considering how long the employer contribution rate has remained unchanged.

By a vote of 5-4, the ORSC adopted the staff recommendation, thereby opposing HB 296. The five members who voted for the staff recommendation (those opposing HB 296) were Senator Mark Romanchuk, Representative Adam Bird, and the three governor appointees.

These appointees are Pickaway County Commissioner Gary Scherer, Director of Government Affairs & Public Relations of the Ohio Council of Retail Merchants Lora Miller, and Executive Director of the Alliance for High Quality Education Anthony Podojil.

OSRC members Representative Phil Plummer, Senator Louis Blessing, Senator Paula Hicks-Hudson, and Representative Beryl Brown Piccolantonio voted against the staff recommendation.

Legislative Activity

Upcoming Committee Hearings

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

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

Tuesday, December 17

House Finance (10:00 a.m.)

- Senate Bill 54 (Senators Michelle Reynolds and Vernon Sykes): To establish the New African Immigrants Grant and Gift Fund in the state treasury.
    - Second hearing, no testimony
    - **POSSIBLE SUBSTITUTE BILL**
    - **POSSIBLE VOTE**

House Families and Aging (11:00 a.m.)

- House Bill 583 (Representatives Andrea White and Phil Plummer): Regarding residential facilities for foster children.
    - Seventh hearing, all testimony
    - **POSSIBLE SUBSTITUTE BILL**
    - **POSSIBLE VOTE**

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

- Senate Bill 39 (Senator Tim Schaffer): To exempt certain baby products from sales and use tax.
    - First hearing, sponsor/all testimony
    - **POSSIBLE AMENDMENTS**
    - **POSSIBLE VOTE**