



STATEHOUSE REPORT

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Jon Honeck joins CCAO policy staff

We are excited to welcome Jon Honeck to the CCAO policy team. Jon will serve as a senior policy analyst focusing on tax and human services policy. He brings 19 years of experience with state policy issues and legislative advocacy to the team. You can read his full bio in this week's edition of Counties Current. Welcome aboard Jon!

Ohio Senate Candidate proposes Sales Tax Equalization Fund for Counties

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Gene Krebs, a candidate for the Ohio Senate 5th District, has offered a proposal for a Sales Tax Equalization Fund that would provide nearly \$110 million annually for counties. While it is still in the concept stage, the proposal is an acknowledgment of the many economic, social, and fiscal challenges facing Ohio counties, including the loss of Medicaid Managed Care Sales Tax and the opiate addiction epidemic. Mr. Krebs was a member of the Ohio House of Representatives from 1993 to 2000, and is a former Preble County Commissioner. The proposal was unveiled at a press conference at the Ohio Statehouse on January 3, 2018.

The premise of the plan is that an uneven distribution of retail establishments across counties affects local sales tax capacity. People do not always shop where they live, creating a loss of economic activity that may be impossible for the county to control. To compensate counties for these economic circumstances, the proposal would have the state create an equalization fund to be shared among counties that receive less sales tax revenue than otherwise would be expected given their level of per capita income. Distributions would occur based on a formula that calculates counties' expected revenue and grants each county the difference between the expected and actual

amount consistent with its current tax rate. Counties that receive more than their expected amount of sales tax revenue would not be affected.

Mr. Krebs supplied an example using 2016 county data. In 2016, 66 counties would have qualified for equalization funds. (Click [here](#) for the handout from the press conference). Funding distributions ranged from a high of \$7.8 million (Lorain County) to a low of \$77,810 (Monroe County). The program would sunset after 10 years and would be subject to periodic evaluations. The money could be placed in the county general fund, dedicated to fighting opiate addiction, or used for economic development programs, but no more than half of the funds could be used for any one of the three purposes.

Details about the revenue source are being worked out. Mr. Krebs indicated that savings in “able-bodied welfare programs” could be created through the continuation of the Healthier Buckeye program, which has funded 21 pilot programs around the state. The pilot programs are intended to build local partnerships between public and private sectors to reduce reliance on public assistance. This program did not receive another round of funding in the most recent state budget.

The methodology for the sales tax analysis in the proposal was originally developed while Mr. Krebs was Executive Director at the Greater Ohio Policy Center, a nonprofit research organization. These reports are available at the [GOPC website](#).

Throughout 2018, CCAO staff will continue to educate candidates and policymakers about the need for an improved state and local partnership. We hope that these discussions will generate additional proposals from other legislative candidate that help to address the issues facing counties.

If you have thoughts to share about the proposal, please contact Senior Policy Analyst Jon Honeck, jhoneck@ccao.org (614-220-7982).

ODOT begins 5-year Airport Protection Act rule review process

The Ohio Department of Transportation is beginning a five-year review process for agency rules governing construction in the vicinity of airports. Ohio law requires all state agency rules to undergo a five-year review. The rules can be found in the Ohio Administrative Code, [Chapter 5501:1-10](#) (Ohio Airport Protection Act). The rules amplify Ohio Revised Code Chapter 4561 (Aeronautics). At this preliminary stage the department is seeking input from stakeholders that will be considered before any formal submissions are made to the Joint Committee on Agency Rule Review (JCARR) and the Common Sense Initiative. Comments are due by March 2, 2018, and can be emailed to Meghan Wadsworth, ODOT Office of External Affairs, Meghan.Wadsworth@dot.ohio.gov.

Applications for medical marijuana testing sites

Nine applications were submitted - including two public institutions of higher education - for licenses to test medical marijuana, according to the Department of Commerce.

The colleges were Central State University and Hocking College. Ohio law gives public higher education institutions the first chance at running testing facilities.

The private applicants and their proposed locales are:

- ACT Laboratories, Inc. for a lab in Toledo.
- Akrivis Lab, LLC, for a location to be determined.
- Battelle in Columbus.
- Cannabis Analytical Solutions in Columbus.
- Keystone State Testing of Ohio in Columbus.
- North Coast Testing Laboratories in Streetsboro.
- QualesOH in Akron.

The DOC is currently reviewing the applications. There is no limit for how many testing facilities will be licensed.

If you have questions on medical marijuana policies contact please contact Legislative Counsel [John Leutz](#) (614-220-7994).

Upcoming CCAO legislative committee meetings

Taxation and Finance will meet at CCAO on January 9th at 10am

Justice and Public Safety will meet at CCAO on January 16th at 10am

More information can be found on the [website](#).

New security upgrades for the Vern Riffe Center

Security procedures for the Riffe building have become more stringent and visitors will need to take additional measures to gain access to legislator's offices. Please read this [fact sheet](#) on the new security protocol so that you can be prepared the next time you come to Columbus.

Bills Introduced

HB 458 TAX NOTICES (Lipps, S., Ryan, S.)

To provide that, once the initial publication of a county delinquent property tax list is made in a newspaper of general circulation, the second publication of that list may be done online.

SB 247 PERS HEALTH CARE (Dolan, M.)

To require the Public Employees Retirement System to permit certain spouses of retired or deceased members to continue receiving allowances to pay for health care expenses under the System's group health care plans.

Hearing Schedule

Tuesday, January 9

House Ways & Means

Rm. 121, 10:00 am

HB 343 PROPERTY VALUES (Merrin, D.)

To require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners. **--6th Hearing-Possible amendments & vote**

HB 371 PROPERTY TAX (Merrin, D.)

To exempt from property taxation the increased value of land subdivided for residential development until construction commences or the land is sold. **--6th Hearing-Possible vote**

Wednesday, January 10

Senate Energy & Natural Resources

Finance Hearing Rm., 1:00 pm

SB 238 WIND FARM SETBACKS (Dolan, M.)

Regarding wind turbine setbacks for wind farms of at least five megawatts. **--1st Hearing-Sponsor**