



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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October 27, 2017

Funding for voting equipment needs to be in state capital bill

With Ohio's current voting equipment reaching the end of its useful life the need to replace it has become imperative. Work on preparing the state capital appropriations bill for this session has begun, therefore, now is the time to contact your state legislators to encourage them to make sure that funding for new voting equipment be included in this state capital bill.

Ask them to specifically recommend a funding program for the new voting equipment that is similar to the one utilized for the acquisition of electronic pollbooks. This process provided an amount to each county based upon the number of registered voters in the county and reimbursed 85% of the county's costs up to the amount allocated to that county.

Also, be sure to outline, explain and quantify with an actual dollar amount the extent of ongoing expenses counties must incur to ensure the proper functioning of this equipment which includes maintenance contracts, a climate-controlled environment for their storage, and proper technology upgrades.

State agencies are to have their capital budget requests submitted to the Office of Management and Budget (OMB) by November 15 with the anticipated introduction of the bill in the Legislature in early 2018 and its adoption by the end of June 2018.

If counties have specific local projects they desire to propose, you should also begin talking to your members of the General Assembly about the merits of those projects and the benefits they will bring to your local community.

OMB has indicated that the state's financial condition is such that a small portion of the capital budget can support targeted capital projects of local or regional importance. The identification of projects to be considered for inclusion in the capital bill will be a cooperative and collaborative process between the administration and the members of the General Assembly so it is vital that you secure your legislators' support for your projects. OMB has prepared a [document](#) that provides examples of the types of community projects that may be eligible for state bond funding and also types of projects that are not eligible.

**CONTACT YOUR
LEGISLATORS
NOW!**

**Tell them they must
provide adequate
funding for elections
equipment in the
upcoming state
capital budget**

For additional information or questions, please contact CCAO staff members Cheryl Subler at csubler@ccao.org or (614) 220-7980 or John Leutz at jleutz@ccao.org or (614) 220-7994.

Senate proposal for MCO loss revenue likely to be in SB 8

As you are aware at the end of last month the Senate offered a proposal to address the local MCO sales tax revenue loss. Senate President Larry Obhof said Wednesday he believes conference committee negotiations on SB 8 will be used to address lingering budget issues.

Among topics anticipated to be included in SB 8 is a yet-to-be unveiled agreement between the Legislature and the administration over the revenue lost by counties and transit authorities due the ending of the Medicaid managed care sales tax.



Obhof noted that negotiations on SB 8 should wrap up by early to mid-November. Originally a school technology and safety bill, the measure is now being targeted by lawmakers as a vehicle to correct budget language and potentially avoid future budget veto overrides.

"My anticipation is whatever we work out we will do so by the next time the Senate is in session," the Senate President said. "I would expect in the next two weeks we'll do whatever we're going to do."

The Senate is scheduled to next meet Nov. 8, but Sen. Obhof also floated the chamber's planned Nov. 15 meeting as a potential deadline. Without elaborating, he said there is "plenty of room for compromise" on various aspects being negotiated.

"I don't anticipate it becoming a really large corrective bill but we'll see," Sen. Obhof said. "We'll continue our discussions with the House and wherever we end up will be agreeable to both chambers and the administration."

The MCO proposal put forth by the Senate includes the following:

- The \$207 million Transitional Aid to counties and transits that will be split into two payments and paid in November 2017 and January 2018 will remain the same. No change.
- An additional \$50 million would be paid to counties and transit authorities in January 2018. These funds will be distributed based on an approach determined by these entities in cooperation with the Senate.
- In addition to the \$50 million above, up to \$30 million could be paid to counties and transit authorities in August 2018, if state general revenue tax receipts perform better than estimates from July 1, 2017 through June 30, 2018. Again, these funds would be distributed based on an approach determined by these entities in cooperation with the Senate.

HB 291 would provide option to surety bonds to protect against dishonest acts of employees

The House State and Local Government Committee heard proponent testimony this week on HB 291 sponsored by former Wayne County Commissioner and now State Representative Scott Wiggam. The bill would give counties, townships, and municipalities the option to insure against employee dishonesty by obtaining insurance coverage rather requiring them to specifically obtain a surety bond for this purpose.



CCAO Legislative Counsel John Leutz [testified](#) that the County Commissioners Association of Ohio supports the legislation, which permits alternatives to surety bonds to protect a political subdivision from the fraudulent or dishonest acts of employees.

"CCAO believes that obtaining surety coverage in this manner would provide administrative efficiency by not having to go out and buy individual bonds and save our counties money while obtaining similar or greater coverage limits," he testified.

Commercial insurance broker Kevin Fink addressed the committee as a private citizen. He told the committee that based on his experience with Public Official Bonds and Public Employee Dishonesty insurance coverage, although the current statutory requirement to purchase a Public Officials Bond "may be reasonable for certain elected positions, I would opine it is woefully inadequate in fulfilling this goal for many others." Mr. Fink explained that there are many differences between Public Official Bonds and Employee Dishonesty insurance policies. He compared surety bonds to extending credit, and said Public Official Bonds guarantee taxpayers that the official will fulfill his or her duties. Because employees can fail to fulfill their duties without acting dishonestly, the Employee Dishonesty insurance policy must be written as this bill requires, he said.

Written proponent testimony was submitted from several parties, including Kent Scarrett of the Ohio Municipal League. Mr. Scarrett wrote the bill will "grant municipalities and other local governments the power to choose the best way they can protect taxpayer dollars from fraud by their elected and public officials."

Requiring surety bonds as a method of protection has served the Ohio well for the past 64 years, but it is becoming out-of-date, added Patrick Herron, Wayne County administrator. Mr. Herron wrote that the bonds cost more for less employee coverage. The cost to cover 33 employees with the required amount of bonds is \$4,080 annually, whereas the annual cost for the county to carry \$1 million worth of Employee Theft coverage for almost 1,000 employees is \$7,095, he explained.

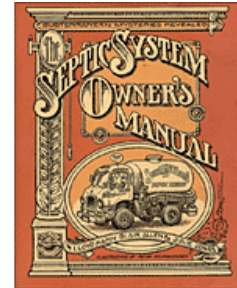
Ohio Township Association Executive Director Matt DeTemple also submitted written testimony indicating the OTA's support for the bill.

An amendment sought by CCAO seeking to clarify that political subdivision joint self-insurance pools such as CORSA are covered by the legislation will be considered by the committee and included as a part of the bill before the committee votes to report the bill for a House floor vote.

Household sewage treatment regulations compliance

[SB 31](#), would authorize a general or city health district to elect to withdraw from the application of any rule adopted by the Department of Health after Jan 1, 2014, that governs the design of household sewage treatment systems.

The bill was amended by the Senate Energy and Natural Resources Committee to clarify that the authority to withdraw lies with the entity that has responsibility for appointing the board of health in a health district. General health district board of health members are appointed by a District Advisory Council made up of the president of the board of county commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township in the general health district.



The amendment also establishes a “total failure rate” of ten percent as a requirement for withdrawal from the application of a rule. The new language states that withdrawal can only be elected if the legislative authority demonstrates to the department that not more than ten percent of the household sewage treatment systems operating within the city or general health district failed to comply with the rule for three consecutive years after December 31, 2010.

For more information, contact CCAO staffer [Kate Neithammer](#).

County Board of Elections office space costs survey update

Most counties were able to respond to our CCAO survey by last Friday. However, if your county has not completed your survey we ask that you continue to work on determining the information you need to complete the survey to identify the costs associated with the space provided by your county to support your county’s Board of Elections operations.



We recognize that we are asking for specific detailed information which may take time for you to collect and report for us. We sincerely appreciate your effort invested in providing this detailed information and, even though our initial deadline for your response has passed, your information is important to us and we ask that you return your survey information to us.

Access the [BOE OFFICE SPACE SURVEY](#), and return as soon as possible.

If you have questions or need assistance from us, please contact John Leutz at jleutz@ccao.org or 614-220-7994.

Hearing Schedule



Tuesday, October 31, 2017

HOUSE WAYS AND MEANS

Tue., Oct. 31, 2017, 9:00 AM, Hearing Room 121, Rep. Schaffer: 614-466-8100

[HB343](#) **PROPERTY VALUE CONTEST-RESOLUTIONS (MERRIN D)** To require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners. Second Hearing, Proponent Testimony

[HB371](#) **TAXES ON UNSOLD PROPERTY (MERRIN D)** To exempt from property taxation the increased value of land subdivided for residential development until construction commences or the land is sold. Second Hearing, Proponent Testimony

HOUSE FINANCIAL INSTITUTIONS, HOUSING AND URBAN DEVELOPMENT

Tue., Oct. 31, 2017, 10:00 AM, Hearing Room 114, Rep. Dever: 614-466-8120

[SB163](#) **COUNTY INVESTMENT NOTE QUALIFICATIONS (WILSON S)** To modify the qualifications regarding notes eligible for investment of county inactive moneys. Second Hearing, All Testimony, POSSIBLE VOTE

HOUSE RULES AND REFERENCE

Tue., Oct. 31, 2017, 11:00 AM, Hearing Room 119, Rep. Rosenberger: 614-466-3506

HOUSE EDUCATION AND CAREER READINESS

Tue., Oct. 31, 2017, 3:00 PM, Hearing Room 121, Rep. Brenner: 614-644-6711

[HB318](#) **SCHOOL RESOURCE OFFICER DEFINITION (PATTERSON J, LATOURETTE S)** To define the necessary qualifications and responsibilities of school resource officers. Second Hearing, Proponent Testimony

Wednesday, November 1, 2017

HOUSE INSURANCE

Wed., Nov. 1, 2017, 10:00 AM, Hearing Room 116 Rep. Brinkman: 614-644-6886

[HB380](#) **WORKERS COMP-ILLEGAL ALIENS (SEITZ B, HOUSEHOLDER L)** To prohibit illegal and unauthorized aliens from receiving compensation and certain benefits under Ohio's Workers' Compensation Law. First Hearing, Sponsor Testimony

[HB268](#) **WORKERS COMPENSATION-SELF-INSURERS (HENNE M)** To make changes to the Workers' Compensation Law with respect to self-insuring employers. Second Hearing, Proponent Testimony

HOUSE STATE AND LOCAL GOVERNMENT

Wed., Nov. 1, 2017, 10:00 AM, Hearing Room 122, Rep. Anielski: 614-644-6041

[HB291](#) **EMPLOYEE DISHONESTY INSURANCE (WIGGAM S)** To authorize counties, townships, and municipal corporations to purchase an employee dishonesty and faithful performance of duty insurance policy, instead of a bond, for protection from loss due to the fraudulent or dishonest actions of, and the failure to perform a duty prescribed by law by, an officer, official, employee, or appointee for which a bond is required by law. Third Hearing, All Testimony, AMENDMENTS

[HB121](#) **PIPE MATERIAL SPECIFICATIONS (EDWARDS J)** To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. Fifth Hearing, All Testimony, AMENDMENTS

[SB71](#) **ADAMH BOARD CONTRACTS (MANNING G)** To allow a board of alcohol, drug addiction, and mental health services to authorize its executive director to execute contracts valued at \$50,000 or less without the board's prior approval. Second Hearing, All Testimony

OHIO HOUSE OF REPRESENTATIVES-SESSION

Wed., Nov. 1, 2017, 1:30 PM, House Chambers, Brad Young, Clerk: 614-466-3357