



STATEHOUSE REPORT

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Voting equipment discussion must be on going

We aren't telling you anything new when we discuss the fact that our voting equipment is aging and we must begin now rather than later to plan for replacement. However, your legislators, who are not expected to be elections experts, may not be aware of the critical nature of this issue.

Consequently, we will continue to encourage you to take our message to your legislators to help educate them on the elections process, funding, and administration and to engage them in helping plan for the solution to successfully replace Ohio's elections equipment. The procurement of new elections equipment is not an overnight process and in order to efficiently and transparently secure high quality voting equipment prior to the presidential election of 2020, we need to begin discussions about this now.



Most of the current elections equipment was purchased in 2005 and 2006 using nearly \$115 in federal Help America Vote Act money. At the time this equipment was purchased its predicted lifespan was 10-15 years. We are nearing the end of that lifespan. The estimated cost for statewide replacement could be approximately \$150 million. CCAO and the Ohio Association of Elections Officials (OAE) are working to secure an effective state/county partnership to replace voting machines after the 2016 presidential election and prior to the 2020 election. CCAO and OAE are seeking to replicate the purchasing model used this year for electronic poll books

Please discuss these critical points concerning the replacement of voting equipment with your legislators:

- Your current voting equipment is reaching the end of its useful life and will need to be replaced with new voting technology prior to the 2020 presidential election;
- While the federal government provided Ohio with nearly \$115 in Help America Vote Act money to purchase the current equipment, it appears that federal financial support will not be provided to assist with replacement of this equipment;

- There are significant continuing expenses counties must incur to ensure the proper functioning of this equipment which include maintenance contracts, battery replacement, special storage requirements, and proper technology upgrades.
- The successful purchasing model used for acquiring electronic pollbooks should also be used for acquisition of new voting equipment.
- The legislature should make planning for the replacement of voting equipment one of its priorities for 2016.

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

Joint Committee on Multi-System Youth Assembles for First Meeting

When the biennial budget (HB 64) passed last June, it created a committee to start tackling how to better serve multi-system youth. The group’s focus is on youth who receive services from a combination of systems including child welfare, mental health and addiction, developmental disabilities and the juvenile court system. Senator Randy Gardner, who is Chair of the committee, said they will begin by delving into how these systems currently serve youth and what their challenges are.

During the first meeting, youth advocate Gayle Channing Tenenbaum submitted testimony that highlighted how communities struggle to serve a small group of youth who have extreme needs that cannot be addressed through local collaboration. She described how families will make the heartbreaking decision to relinquish custody of these children to the Public Children Services Agency when resources fall short so they can gain access to services provided to multi-system youth.



Senator Gardner

“Often these are the children with serious behavioral health needs who need intensive community services or residential treatment. They cannot function in school, or are marginal. They have been involved with the law. They have had violence done to them, or they do it to others.”

Tenenbaum also touched on disparities between communities that effect their ability to be successful when trying to serve youth in need, including lack of providers and treatment programs in certain areas of the state.

House Bill 64 requires the committee to identify the following as well as recommend a funding and service delivery system.

- The services currently provided to multi-system youths and the costs and outcomes of those services;
- Existing best practices to eliminate custody relinquishment as a means to receive services;
- The best methods for person-centered care coordination; and
- A system to monitor the progress of these youths in residential placement.

Chairman Gardner said they will rely heavily on stakeholder input to accomplish these tasks and will take up the issues that advocates bring forward in the coming weeks.

The committee's report was due to the General Assembly at the end of 2015, but is now looking at a new deadline of June 30, 2016. Members of the committee include, Sen. Randy Gardner (Chair), Rep. Sarah LaTourette (Vice Chair), Rep. Denise Driehaus, Rep. Jeff Rezabek, Rep. Dorothy Pelanda, Rep. Janine Boyd, Sen. Michael Skindell, Sen. Kris Jordan, Sen. Peggy Lehner and Sen. Cecil Thomas

If you would like to know more, please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org

Hearings for Unemployment Compensation Bill Continue

[House Bill 394](#), which aims to reform the unemployment compensation system and restore solvency, had its fifth hearing in the House Insurance committee this week. Despite changes made to the bill, representatives from the labor community and advocates for the poor still testified in opposition stating the bill will adversely affect workers and chip away at a safety net that helps families stay afloat. Business groups continued to praise the proposal saying it will prevent the state from having to borrow from the federal government during the next economic downturn and calling it a "thoughtful, seasoned, well-reasoned and balanced approach".

Some policy changes that have attracted attention include a reduction in benefits from 26 weeks to a range of 12-24 weeks depending on the state unemployment rate. The taxable wage base that employers pay unemployment taxes on will go from \$9,000 to \$11,000 until the fund reaches the minimum safe level. If the fund is at or below 50% of the minimum safe level, the max weekly benefits to workers will be frozen at the prior year's level.



Rep. Hackett

The Legislative Services Commission analysis anticipates the bill will reduce employer unemployment tax contributions by an estimated average of \$313 million annually from 2018 to 2025. Benefit payments to workers will be reduced by an average of \$475 million during that same time period.

Senate President Keith Faber weighed in on Wednesday stating that he had concerns with the bill.

"We're going to take a look at it. It's something that certainly we think is an important issue. Certainly we need to make sure that fund is stable. We'll see what the House actually does with it. We have some concerns with some of the things in there".

Originally the bill's sponsor, Rep. Barbara Sears, hoped the bill would clear the committee by the end of January so the Senate would have ample time to review the proposal. Opponents of the bill are now asking the committee members to go back to the drawing board and Committee Chair Rep. Bob Hackett said the bill is a "work in progress". No hearings have been scheduled for next week.

If you would like to know more about HB 394 please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org

CCAO testifies in support of humane society reform

Proponent testimony was taken by the House Government Accountability and Oversight Committee on [HB 278](#) (Hambley - R Medina) which would reform the humane society law. CCAO legislative counsel John Leutz [testified](#) in support of the bill and the particular provision which would remove the current independent authority of humane society agents to prosecute certain violations of law dealing with cruelty to animals or children.

CCAO's position was also supported by the Ohio Prosecuting Attorneys Association and the State Public Defender. John Murphy, executive director of the Ohio Prosecuting Attorneys Association, said the law that grants criminal prosecution powers to humane societies is uncommon and such authority should be limited. "Criminal prosecution authority, which involves the possible deprivation of liberty, should not be exercised by a private organization or an attorney hired by a private organization," he said. "Neither the organization nor the attorney is politically accountable.

Kari Bloom, legislative liaison for the Office of the Ohio Public Defender, noted that while the bill's opponents believe eliminating the authority will make it more likely that animal abuse will go unpunished that would not be likely. Bloom said that, "Cruelty to animals is a criminal offense in Ohio that should be prosecuted only by elected county prosecutors and their assistants."

2020 Tax Policy Study Commission takes testimony from Ohio Manufacturers Association

The 2020 Tax Policy Study Commission heard testimony from lawyer Mark Engel, legal tax counsel for the Ohio Manufacturers Association of Ohio (OMA). The commission, which is chaired by Senator Bob Peterson (R-Sabina) and Jeff McClain (R-Upper Sandusky) also includes Senator Scott Oelslager (R-Canton) and Charleta Tavares (D-Columbus) and Representatives Kirk Schuring (R-Canton) and Jack Cera (D-Bellaire).



Rep. McClain

The commission is charged with recommending how to transform Ohio's personal income tax to a 3.5 percent or 3.75 percent rate from the current top marginal rate of 5.0 percent. Other tasks include recommendations for reforming Ohio's severance tax, how to transform Ohio's historic rehabilitation tax credit to a refundable credit or a grant program, and review and evaluate all tax credits provided by Ohio law by October 2017.



Senator Peterson

Mr. Engel's [testimony](#) provided a history lesson on the origins and status of Ohio's sales and use tax, personal income tax, commercial activity tax, and severance tax, and also made recommendations on changes OMA would support and in some cases oppose going forward. He also traced the recent history of tax reform focusing on the major reforms enacted by the legislature with the state budget in 2005. Mr. Engel said that he viewed tax reform

launched by the legislature as a success and he cited several reports and studies that reached that conclusion.

Regarding recommendations for future action Mr. Engel offered the following advice:

* Commercial Activity Tax (CAT) – OMA recommends maintaining a low rate for the commercial activity tax which is a gross receipts tax (currently .26 percent), and a broad base to which the tax is applied. He strongly opposed further attempts to add exemptions or tax expenditures from the tax which he said would eventually result in higher rates to make up for lost revenue

* Sales and Use Tax – OMA strongly opposes imposing the sales tax on “business inputs” such as manufacturing machinery and equipment (and labor) as “contrary to sound tax policy.”

* Sales Tax on Employment Services – OMA recommended the repeal of the sales tax on employment services. Due to the sizable loss of tax revenue to the state GRF and county and transit permissive sales and use taxes, CCAO opposes the elimination of this tax which is the subject of legislation (HB 343) pending in the Ohio House.

* Severance Tax – OMA said benchmarking of effective tax rates on energy removed from the ground would be helpful to policy makers, but they generally opposed using the severance tax “to fund a wide-scale reduction in some other tax of general application (for example, personal income tax).”

Hearings are expected to continue on a monthly basis throughout the year. For additional information regarding this article, contact Brad Cole of the CCAO staff at bcole@ccao.org

Statehouse, Etc.



Pay Commission. This week in a conversation with the press regarding a variety of issues, Senate President Keith Faber (R-Celina) called on the Ohio House to move on a proposal to establish a state commission to set elected officials’ compensation. “The House needs to act on it,” he said. Last year lawmakers included pay adjustments for judges and local officials in HB 64 but did not address compensation for themselves or statewide officeholders.

Online voter registration receives support. The House Government Accountability and Oversight Committee heard support for [SB 63](#) (LaRose - R Copley) that would create an online voter registration system. David Becker, director of election initiatives for The Pew Charitable Trusts, told the committee that “making the voter registration process available online will improve the integrity and efficiency of Ohio's voter rolls,” and that online registration is available in 29 other states and D.C. Also testifying in support of the bill were Peg Rosenfield elections specialist for the Ohio League of Women Voters, who suggested an amendment to the bill that would permit alternative signature verification opportunities in addition to the BMV; Lisa Wurm, with the ACLU of Ohio; Donald Palmer, Senior Advisor to the Bipartisan Policy Center's Democracy Project; Marissa Liebling, with Ohio Fair Elections Network; and [CCAO](#).

Comments on Adult Protective Services. CCAO submitted comments on new rules that govern the adult protective services (APS) provisions in the biennial budget on January 19th. The rules addressed:

- Confidentiality/dissemination of APS information
- The county APS memorandum of understanding
- Education and training requirements for APS caseworkers and supervisors
- APS screening and CDJFS requirements for cross-referring reports

Our comments included questions relating to training requirements, the screening process (specifically obligations/responsibility for handling after hours reports), and the ability to allow information to be used for statistical purposes to help determine the overall need and cost for APS.

A second package of rules is currently in pre-clearance and is not yet open for comments but we will continue to follow and report our activity on this issue.

If you would like to know more, please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996 or kneithammer@ccao.org

Senate Ways and Means Committee. The committee heard testimony on two bills regarding economic development tax incentives. [HB 233](#) (Schuring – R Canton) would authorize municipal corporations to create downtown redevelopment districts and innovation districts for the purposes of promoting the rehabilitation of historic buildings, creating jobs, encouraging economic development in commercial and mixed-use areas, and supporting grants and loans to technology-oriented and other businesses. Witnesses stated that the bill would promote reinvestment in older urban and suburban areas where it has been difficult to fund redevelopment because these “first ring” suburbs have few incentives available to offer developers and businesses. [SB 235](#) (Beagle – Tipp City) would exempt from property tax the increased value of property on which industrial or commercial development is planned until construction of new commercial or industrial facilities at the property commences. Witnesses said that the bill could spur more businesses to build in Ohio because it would remove current hindrances to building up favorable sites. Adding infrastructure, such as sewer and water mains and extensions, electrical meters, pedestals and conduits, implementation of pre-construction storm water best management practices, and other site ready infrastructure needs to sites makes them more attractive to site selectors and business looking to relocate or expand in Ohio. Land developers see this as a benefit for risk-takers who invest in property so that it is ready for businesses in need of a new location.

Senator Widener to step down. Senate President Pro Tempore, [Senator Chris Widener](#) (R-Springfield) announced Thursday that he would be retiring from public service effective at the end of the month after more than two decades in public service.



Senator Widener

The early exit of Senator Widener will allow the caucus to appoint his replacement. The leading candidate is [Representative Bob Hackett](#) (R-London). Hackett is currently running for the Senate seat and is the March primary favorite.

Bills Introduced



No bills of interest to county government this week.

Hearing Schedule



Tuesday, January 26

House Local Government (Committee Record), (Chr. **Anielski, M.**, 644-6041), Rm. 018, 9:00 am

HB 277 **911 LEVIES (Brenner, A.)** To authorize a county, township, or municipal corporation to impose a 9-1-1 system levy in only the portion of the subdivision that would be served by the 9-1-1 system. --
3rd Hearing-Opponent & interested party

HB 252 **TREASURER FEES (Hackett, B., Ryan, S.)** To adjust the fees allowed to county treasurers for collecting property taxes. --**2nd Hearing-Proponent**

HB 413 **EXECUTIVE SESSION (Brinkman, T.)** To add to the purposes for which a board of township trustees may go into executive session, to permit a township to charge for recycling services, to reduce the population threshold for a township to adopt a limited home rule form of government, to authorize a township to purchase, lease, or provide underwater rescue and recovery equipment for fire and rescue purposes, to authorize boards of township trustees to pay for group life insurance for any employee, to make other changes to the township laws, to allow taxing units to use the proceeds of a fire, police, or emergency services tax levy to pay costs related to the service for which the tax is levied, **and to expand the public infrastructure improvements townships, municipal corporations, and counties may pay for using money from their public improvement tax increment equivalent funds.** --**1st Hearing-Sponsor**

Senate Agriculture (Committee Record), (Chr. **Hite, C.**, 466-8150), South Hearing Rm., 9:00 am

- Confirmation hearing on governor's appointment of Richard McClelland, Ohio Standardbred Development Commission

HCR 11 **LAKE ERIE (Hall, D.)** To commend Governor John Kasich on his efforts to improve the water quality of Lake Erie and to affirm the Governor's ability to form an interstate compact with other states in furtherance of this objective. --**1st Hearing-Sponsor-Possible vote**

HB 187 **ANIMAL TREATMENT (Ginter, T.)** To authorize specified emergency personnel to provide certain emergency medical services to an injured dog or cat. --**1st Hearing-Sponsor**

HB 60 **COMPANION ANIMAL ABUSE (Hall, D., Patmon, B.)** To revise provisions and penalties regarding treatment of companion animals, to revise the definition of "companion animal" in the Offenses Relating to Domestic Animals Law, and to provide a state collaborative effort to assist veterinarians in identifying clients who may use their animals to secure opioids for abuse. --**1st Hearing-Sponsor**

Senate State & Local Government (Committee Record), (Chr. **LaRose, F.**, 466-4823), North Hearing Rm., 9:45 am

SB 220 **DEFERRED COMPENSATION (Hottinger, J.)** To authorize the Ohio Public Employees Deferred Compensation Board and local governments to establish designated Roth account features and other tax-deferred or nontax-deferred features permitted for government deferred compensation plans. --**2nd Hearing-Proponent**

House Session, (Chr. **Rosenberger, C.**, 466-3357), House Chamber, 11:00 am

House Agriculture & Rural Development (Committee Record), (Chr. **Hill, B.**, 644-6014), Rm. 116, 1:00 pm or after session

HB 396 **PROHIBITED SPECIES (Hall, D.)** To prohibit the possession, introduction, sale, or offer of sale of specified restricted and prohibited species. --**1st Hearing-Sponsor**

House Ways & Means (Committee Record), (Chr. **McClain, J.**, 644-6265), Rm. 121, 1:00 pm or after session

HB 390 **TAX EXEMPTION (Schaffer, T., Retherford, W.)** To exempt the sale of natural gas by a municipal gas company from the sales and use tax. --**3rd Hearing-All testimony-Possible amendments & vote**

Senate Session, (Chr. **Faber, K.**, 466-4900), Senate Chamber, 1:30 pm

House Energy & Natural Resources (Committee Record), (Chr. **Landis, A.**, 466-8035), Rm. 017, 1:30 pm

HCR 29 **CLEAN POWER PLAN (Hill, B.)** To oppose the United States Environmental Protection Agency's Clean Power Plan. --**2nd Hearing-All testimony-Possible vote**

HCR 30 **PIKETON PLANT** ([Rosenberger, C.](#), [Johnson, T.](#)) To urge Congress and the United States Department of Energy to reverse the decision to terminate funding of the American Centrifuge Program at the American Centrifuge Plant in Piketon, Ohio. --**3rd Hearing-Possible vote**

House Government Accountability & Oversight ([Committee Record](#)), (Chr. [Brown, T.](#), 466-8104), Rm. 114, 1:30 pm

SB 63 **ONLINE VOTER REGISTRATION** ([LaRose, F.](#)) To create an online voter registration system. --**3rd Hearing-Opponent**

House Judiciary ([Committee Record](#)), (Chr. [Butler, J.](#), 644-6008), Rm. 116, 3:30 pm

HB 284 **RETIREMENT BENEFITS** ([Dovilla, M.](#), [Anielski, M.](#)) To add extortion and perjury and certain federal offenses to the offenses that may result in forfeiture or termination of public retirement system benefits. --**3rd Hearing-All testimony-Possible vote**

Senate Government Oversight & Reform ([Committee Record](#)), (Chr. [Coley, B.](#), 466-8072), Finance Hearing Rm., 4:00 pm

SB 212 **ELECTION PROCEDURES** ([Uecker, J.](#)) To reduce the minimum number of precinct election officials in a precinct in which electronic pollbooks are used and to eliminate the requirement that a board of elections send a notice to a person's residence address when the board cancels the person's voter registration because it received a report of the person's death. --**2nd Hearing-Proponent**

Wednesday, January 27

House Economic & Workforce Development ([Committee Record](#)), (Chr. [Baker, N.](#), 466-0961), Rm. 114, 9:00 am
HB 343 **TAX EXEMPTION** ([Young, R.](#), [Romanchuk, M.](#)) To exempt employment services and employment placement services from sales and use tax. --**5th Hearing-All testimony**

House Health & Aging ([Committee Record](#)), (Chr. [Gonzales, A.](#), 466-4847), Rm. 116, 9:30 am

HCR 21 **DD EMPLOYMENT SERVICES** ([Romanchuk, M.](#), [Antonio, N.](#)) To urge the Congress of the United States to request that the federal Centers for Medicare and Medicaid Services revise its guidance on employment services for individuals with developmental disabilities to maintain their right to participate in programs offered by facility-based day programs, training centers and sheltered workshops. --**2nd Hearing-Proponent**

House Financial Institutions, Housing & Urban Development ([Committee Record](#)), (Chr. [Terhar, L.](#), 466-8258), Rm. 017, 10:00 am

HB 415 **LINKED DEPOSITS** ([Schuring, K.](#)) To create the business linked deposit program, to permit credit unions to participate in that program, to permit credit unions to participate in the agricultural linked deposit program, and to make other changes to the linked deposit law. --**1st Hearing-Sponsor**

Senate Session, (Chr. [Faber, K.](#), 466-4900), Senate Chamber, 1:30 pm

House Session, (Chr. [Rosenberger, C.](#), 466-3357), House Chamber, 1:30 pm

House State Government ([Committee Record](#)), (Chr. [Maag, R.](#), 644-6023), Rm. 121, 2:30 pm or after session

HB 341 **TRANSPORTATION LAWS** ([Young, R.](#), [Sweeney, M.](#)) To require the Public Utilities Commission to raise the existing statutorily designated towing and storage fees annually by the percentage increase in the consumer price index, to establish a \$35 fee for the retrieval of nonmedical personal items from a motor vehicle, to modify the civil penalties applicable to violations of the towing law, to modify the calculation of the value of an abandoned vehicle to which a towing service or storage facility seeks to take title, and to make other changes to the towing law. --**2nd Hearing-Proponent-Possible substitute**

Thursday, January 28

Joint Medicaid Oversight Committee ([Committee Record](#)), (Chr. [Sears, B.](#), 466-1731), Rm. 313, 9:00 am