



STATEHOUSE REPORT

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Senate President Faber expects budget to be done on time

The Senate will take next week to finalize its budget proposal ([HB 64](#)) and will present a substitute bill on June 8. Testimony on the substitute bill will also be taken the rest of that week prior to adopting an omnibus amendment and the Senate Finance Committee reporting the bill for a Senate vote currently anticipated for June 17. That date for a Senate floor vote should not jeopardize meeting the statutory deadline of enacting the budget by the end of June. Noting that the budget bill has to be done by July 1, it will be done by July 1 unless a resolution in the House/Senate conference committee can't be achieved.



Keith Faber
Senate President

Budget Tax Cuts

Also on the budget front, the Senate Republicans have indicated that they plan to increase the "net" tax cut for individuals and businesses in their version of the biennial budget beyond that of the governor's initial proposal and the House's version of the bill. Gov. John Kasich proposed a series of tax hikes and cuts in the bill that netted more than \$500 million in personal income tax reductions over two years. The House nixed most of the increases and relied mostly on rosier revenue and spending projections from the Legislative Service Commission in proposing a net \$1.2 billion cut during the biennium. Senate President Keith Faber (R-Celina) indicated this week that while all of the proposed tax hikes are "still on the table," he was confident that \$1.2 billion figure would grow with the Senate's version of the bill. "I'm optimistic we're going to have a larger tax cut net than the House, and where we end up on tax swaps is still an open question," he said. "For me, the focus is on net tax."

Overall, Mr. Faber said the Senate's main focus will remain on tax cuts for small businesses. "There is a discriminatory tax when small business income flows through the personal returns, so we're trying to get a handle on that," he said. "Remember, 70% of the jobs are created by small businesses, so we're focused on those folks with the small business tax cuts to create those 70% of the jobs."

Severance Tax

President Faber also indicated that discussions between the administration, industry and his caucus continue on the subject of oil and gas severance taxes, which the governor sought to increase but the House removed from their version of the budget bill. "I was moved by the governor's staff and the governor's willingness to consider new options and think about different things out of the box. I'm moved by the industry's willingness to participate in good faith discussions," he said.

Senate Democrats submit their amendments

Minority Leader Joe Schiavoni (D-Boardman) has indicated that his caucus submitted more than 500 amendments to the biennial budget this week on subjects ranging from Medicaid eligibility for higher income pregnant women to increased aid for college students. The proposed amendments, which were due Wednesday, include around 100 dealing with Medicaid and 85 caucus priorities focused on funding for public education and local governments, taxes and other issues. Sen. Schiavoni said the proposals respond to concerns that have been raised by Ohioans across the state. "Our budget amendments are based on what we're hearing from our constituents, and we're trying to bring their voices down to the Statehouse and just have a very common sense approach with it...we have to be cognizant of all those things," he said in an interview.

According to the minority leader, priority amendments for the caucus include proposals to: ensure Medicaid eligibility for certain groups; increase funding for public schools and local governments; provide charter school accountability; and restore and codify collective bargaining rights for home health and child care workers. Democrats have also prioritized efforts to address tangible personal property tax funding; enhance police and community relations; and increase higher education institution funding, among other things. Sen. Schiavoni noted that the caucus's amendments are designed to establish a living environment for Ohioans that is safe so that they feel comfortable in their communities and in their schools and offer a business climate where employers not only want to grow in Ohio, but relocate in Ohio. The caucus, according to Schiavoni, is not looking to increase business taxes and believes there are adequate funds to make investments into schools and the community if the state doesn't go through with the proposed income tax cut. While he's unsure of whether Democrat-backed proposals will pick up support from the majority caucus, he believes there could be areas of overlap and there are some issues on which both parties will reach a consensus.



Joe Schiavoni
Minority Leader

Proposal would give commissioners authority to modify wind farm setback requirements

[HB 190](#), sponsored by Representatives Tim Brown (R-Bowling Green) and Tony Burkley (R-Paulding) would allow county commissioners to waive current setback requirements for wind farm turbines enacted last session and allow the wind farm to follow the original, less restrictive setback requirements. Under the previous law, the minimum setback for a wind turbine from a non-participating landowner's property line was 1.1 x the total height of the turbine as measured from its base to the tip of its highest blade, which is approximately 540 feet.



Rep. Tony Burkley

The new setback is approximately 1,300 feet - 1,125 plus the length of the turbine blade. The restrictiveness of the new setback requirements virtually eliminates the potential for wind farm development, according to Brown. The bill would address what Rep. Brown described as the "egregious" wind turbine setbacks enacted last session. The bill would maintain the current law's setback as the default, but allow the local county commissioners the option to waive the new setback and re-establish the prior setback instead.

The bill would also extend a wind farm's ability to secure a payment in lieu of taxes (PILOT) during the life of the project for the assets placed into service by December 31, 2021. The bill would extend the Ohio PILOT program for an additional five years. The program has been extended twice for two-year increments and is slated to sunset at the end of this year. The PILOT program sets a per megawatt maximum amount of \$9,000 that is comprised of a mandatory service payment based upon the percentage of Ohio jobs used during construction, which is distributed among the taxing jurisdictions, and an additional service payment adopted by the board of county commissioners which is deposited into the county general fund. To qualify for the PILOT, the projects must be approved by county commissioners; employ at least 50% Ohio-domiciled workers during construction; entail training and equipping fire and emergency responders in the project area; include road and bridge repairs to "preconstruction conditions" as determined by the county engineer; post a bond with the county for those repairs; and "establish a relationship with a university to educate and train individuals for careers in wind and solar industries." For more information on the PILOT and other aspects of the current wind farm legislation, see CCAO's [County Advisory Bulletin](#) on this subject.

During their sponsor testimony, Brown and Burkley argued that extending incentives for wind turbine development in the state would pay dividends by attracting "green"-minded tech companies to Ohio. They also pushed back on the notion that wind energy firms would be unfairly "subsidized" under the proposal. In responding to concerns expressed by committee members who questioned why wind energy was singled out in the bill for tax credits, Rep. Brown noted that critics have deployed the phrase "subsidy" to try and "torpedo" green energy developments and maintained that the state's electric utilities have in fact enjoyed government support through Public Utilities Commission of Ohio regulations for decades. "We have been

subsidizing the others for generations in Ohio," he told members of the House Public Utilities Committee.

Rep. Brown argued that having a broader wind energy portfolio in Ohio is key to attracting high-tech businesses whose stock is held mostly by investors who want environmentally friendly options available in the states where they create jobs. He cited recent news of "data center" developments in the state as a key impetus for the bill.

"We are particularly excited in Northwest Ohio about these prospects because we know data centers use a tremendous amount of electricity, and the technology companies siting them have made some of the strongest commitments to clean, renewable energy of any business sector in the country," Rep. Brown said. "Simply put, these companies take their corporate sustainability plans extremely seriously and are demanding renewable energy, procured from projects built in the state in which they do business. The sponsors noted that wind energy projects have been focused in their districts because, aside from Lake Erie, the northwest part of the state is seen as the most productive and consistent for such energy production. Rep. Brown said wind turbines have been widely accepted and the public is "very supportive" in his district. Rep. Burkley said residents in Paulding and Van Wert have "seen what it can do to their tax base," while areas further south in his district have shown "some resistance."



Rep. Tim Brown

Prosecutors would assume oversight of animal cruelty cases

[HB 198](#) received sponsor testimony this week in the House Judiciary Committee. The bill, joint sponsored by Representatives Steve Hambley (R-Medina) and Greta Johnson (D-Akron), would eliminate a humane society's authority to employ an attorney to prosecute certain violations of law dealing with animal cruelty or acts involving mistreatment or nonsupport of children.

Rep. Hambley said the bill would move oversight of the prosecution of animal cruelty cases from a private prosecutor appointed by a non-profit humane society to county and municipal prosecutors. "On its face, it may sound like this is an animal abuse issue. However, this is simply a very basic law and order issue, which primarily deals with the structure of our local government," he said. Rep. Hambley described the law allowing humane societies to appoint private prosecutors as an "archaic" section of code that was likely enacted 30 years ago when animal abuse was considered a mere public nuisance and noted that the legislature has increased penalties in recent years. Allowing humane



Rep. Steve Hambley



Rep. Greta Johnson

societies to appoint special prosecutors limits public oversight of the process and allows for conflicts of interest, he said, detailing several concerns about non-prosecution agreements by humane societies. "I believe that by bringing the prosecution of humane issues fully under the oversight of public officials and separating it from the law enforcement powers that a humane society has, we will actually be able to more confidently assess penalties for animal cruelty in the Revised Code," Rep. Hambley said.

Rep. Johnson took issue with humane societies' argument that prosecutors are ill equipped or unlikely to prosecute animal abuse cases. "Municipal and common pleas prosecutors handle a variety of cases and must become experts on various issues, from drunk driving to sexual assault to child abuse to animal neglect. To suggest that prosecutors do not have the ability or desire to prosecute animal cases is simply not true," she said. The proposal would not eliminate the ability for a special prosecutor to be appointed for animal abuse cases that require additional assistance, Rep Johnson noted. "We are merely advocating for government accountability in the process," Rep. Johnson added. "Conflicts exist and on occasion, additional expertise is necessary to ensure justice. In those cases, special prosecutors are appointed and answer to the public by way of their elected official. This bill seeks fair treatment of all cases, no matter the subject."

Adult protective services bill receives Senate hearing

Stand-alone legislation that would make policy changes to Ohio's adult protective services program received sponsor testimony in the [Senate Health and Human Services Committee](#).

[HB 24](#), jointly sponsored by State Representatives Mike Dovilla (R-Berea) and Wes Retherford (R-Hamilton), passed the House and received its inaugural Senate hearing at the same time the proposed state biennial budget bill ([HB 64](#)), which would make several significant changes to the adult protective services delivery system, is pending in the Senate.

While the two measures do contain some identical provisions, such as those pertaining to emergency orders for protective services, there are also some key differences. For instance, HB 24 modifies the definition of financial exploitation in such a manner that it may be difficult for existing staff within some counties' departments of job and family services to appropriately investigate. CCAO is encouraging conversations with policymakers to examine these differences and ensure older adults are receiving the protection they need through appropriate service delivery models.

One other key difference is funding. HB 64 contains an appropriation of \$3.5M/year for adult protective services. ODJFS has stated it is the departments' intent to allocate \$30,000 per county, per year, and keep the remainder at the state level for state administration and oversight of the program. HB 24 does not contain an appropriation, though sponsors have pointed out the one-time allocation of \$10M that was made into the state and local program last year in HB 483. For additional information please contact Laura Abu-Absi at labu-absi@ccao.org or (614) 221-5627.

Statehouse Etc.



2016 Primary likely to move. The Senate approved a measure (HB 153) to push back the 2016 primary election date from March 8 to March 15. It heads to the Governor's desk next where HB 153 is expected to be signed soon.

Deadline for initial round of budget amendments. This Wednesday was the Senate's deadline for its members' initial round of proposed budget amendments. Earlier in the week CCAO distributed our list of [budget issues](#) and amendments to all the members of the Senate.

Bills Introduced



[SB 173](#) SPECIAL ELECTIONS ([Jordan, K.](#)) To eliminate the ability to conduct special elections in February and August. Am. 323.17, 3501.01, 5705.194, 5739.021, and 5739.026.

[HB 231](#) PROPERTY VALUATIONS ([Grossman, C.](#), [McClain, J.](#)) To require counties, municipal corporations, townships, and school boards that file complaints against the valuation of property they do not own to pass a resolution approving the complaint and specifying the compensation paid to any person retained to represent the county, municipal corporation, township, or school board in the matter of the complaint. Am. 5715.19

[HB 232](#) USE TAX COLLECTIONS ([Grossman, C.](#), [Scherer, G.](#)) To prescribe new criteria for determining whether sellers are presumed to have substantial nexus with Ohio and therefore required to register to collect use tax, to allow sellers presumed to have substantial nexus to rebut that presumption, and to require a person, before the person enters into a sale of goods contract with the state, to register, along with the person's affiliates, to collect use tax. Am. 5741.01 and 5741.17

[HB 233](#) REDEVELOPMENT DISTRICTS ([Schuring, K.](#)) To 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. Am. 133.04, 133.06, 709.024, 709.19, 3317.021, 5501.311, 5709.12, 5709.82, 5709.83, 5709.831, 5709.832, 5709.85, 5709.91, 5709.911, 5709.913, and 5715.27 and to enact sections 1710.14, 1724.12, 5709.45, 5709.46, and 5709.47

Hearing Schedule



Monday, June 1

Energy Mandates Study Committee ([Committee Record](#)), ([Chr. Balderson, T.](#), 466-8076), Senate Finance Hearing Rm., 10:00 am

- Presentations from Dean Ellis, Dyengy; Joe Kerecman, Calpine; Glen Thomas, P3; Tom Vinson, American Wind Energy Association and Bruce Weston, Ohio Consumers' Counsel

Tuesday, June 2

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

SJR 1 **COMPENSATION COMMISSION (Faber, K.) To establish the Public Office Compensation Commission. --**1st Hearing-Sponsor****

House Ways & Means (Committee Record), (Chr. McClain, J., 644-6265), Rm. 121, 1:30 pm

HB 176 **GASEOUS FUEL VEHICLES (Hall, D., O'Brien, S.) To create the Gaseous Fuel Vehicle Conversion Program, to allow a credit against the income or commercial activity tax for the purchase or conversion of an alternative fuel vehicle, to reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$500, to apply the motor fuel tax to the distribution or sale of compressed natural gas, to authorize a temporary, partial motor fuel tax exemption for sales of compressed natural gas used as motor fuel, and to make an appropriation. --**1st Hearing-Sponsor-Possible substitute****

HB 166 **TAX LAWS (Green, D.) To extend the deadline for filing an application for the homestead exemption or 2 1/2% property tax rollback to the end of the tax year, to require that auditors certify Local Government Fund allocations to subdivisions by regular or electronic, rather than certified mail, and to repeal laws requiring county auditors to issue permits for traveling shows, issue licenses for new merchandise public auctions, certify the annual state tax interest rate to local courts, and provide certain certifications related to the repealed personal property tax. --**2nd Hearing-Proponent****

House Community & Family Advancement Sub.: Minority Affairs (Committee Record), (Chr. Boyce, K., 466-5343), Rm. 115, 2:00 pm

HB 204 **POLICE TRAINING (Derickson, T., Manning, N.) To prohibit the Ohio Peace Officer Training Commission from recommending and the Attorney General from adopting a rule limiting the number of hours of basic training required for peace officers and to generally require all persons newly appointed to a peace officer position to have received a high school diploma or certificate of high school equivalence. --**3rd Hearing-All testimony****

House Community & Family Advancement (Committee Record), (Chr. Derickson, T., 644-5094), Rm. 114, 4:00 pm

HB 196 **HEALTHIER BUCKEYE COUNCILS (Amstutz, R., Derickson, T.) To require boards of county commissioners to establish local healthier buckeye councils; to rename the Ohio Healthier Buckeye Advisory Council the Ohio Healthier Buckeye Council and to expand its duties; to establish the Healthier Buckeye Grant Program; to establish the Comprehensive Case Management and Employment Program; and to make changes to the law governing the Prevention, Retention, and Contingency Program. --**2nd Hearing-All testimony****