



STATEHOUSE REPORT

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209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

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Ohio Department of Taxation issues local government fund certifications for calendar year 2016

As required by Ohio law, on July 24th the Department of Taxation certified to all counties for each county the estimated Local Government Fund (LGF) and Public Library Fund (PLF) estimates for Calendar Year (CY)



**Department of
Taxation**

2016. The county calendar year 2016 estimate of the county undivided Local Government Fund distribution for each county as well as estimated distributions by month for all counties are listed on the Department of Taxation [website](#) For a copy of the annual estimates for all 88 counties by month please use this [link](#).

Ohio law requires this information to be prepared by the Department of Taxation and certified to counties by July 25 of each year so that county budget commissions may use this information in the preparation of local government budgets for the next calendar year. The Department of Taxation advises that in December of 2015 the Department will provide revised LGF and PLF estimates based on the economic forecasts available to the Department at that time. The Department anticipates that the estimates issued in December will not vary significantly from the estimates issued in July. The Department of Taxation encourages local officials who would like to follow economic and tax revenue trends for the state of Ohio to read the Monthly Financial Reports prepared by Office of Budget and Management which are available through this [link](#).

The Department has also advised that do to an upgrade to the state accounting system, which is called the Ohio Administrative Knowledge System (OAKS), the LGF and PLF distributions for September, 2015 will be disbursed to counties on September 4th instead of the 10th of the month which is when such disbursements generally occur.

If you have questions regarding the information included in this article, contact Brad Cole of the CCAO staff at bcole@ccao.org.

Constitutional amendment legalizing marijuana and creating a growing monopoly headed to the November ballot

The Secretary of State this week certified that the petition to legalize marijuana for recreational and medical use in Ohio has met the necessary signature requirements and will appear on the November 3rd ballot. The proposal legalizes the drug's use for adults over age 21, creates a monopolistic industry limited to 10 growing sites in the state, and allocates most of the tax imposed to local governments.



Counties need to pay particular interest to this proposal because they would be a primary benefactor of the tax levied on the marijuana industry. The amendment would impose a 15% flat tax at every stage of the marijuana supply chain that would include the growing, wholesale, production and retail sales of marijuana. The marijuana tax revenue would be distributed on a per-capita basis with 55% going to municipal and township governments and 30% to county governments. Counties would be required to use their tax revenue specifically for "vital public services" which the proponents claim will be for "public safety and health, including police, fire and emergency medical services, road and bridge repair and other infrastructure improvements." The remaining 15% of the tax revenue would be allocated for mental health and addiction prevention and treatment programs, marijuana research, non-profit medical marijuana dispensaries and regulatory operations.

ResponsibleOhio, the amendment's proponent, fell short with its initial signature collection efforts late last month despite submitting about 695,000. Only 276,082, or around 40% of the signatures, were deemed valid, and, by law, was given an additional 10 days to obtain the additional signatures necessary to qualify for the ballot. ResponsibleOhio collected 44,185 valid supplemental signatures, bringing their total to 320,267. The group needed 305,591 valid voter signatures to secure a spot on the ballot. The Ballot Board must now approve the language that voters will consider this fall, Mr. Husted's office said. The panel is expected to review ResponsibleOhio's constitutional amendment next week.

The marijuana legalization effort has drawn criticism from opponents who claim the proposed amendment could negatively impact worker productivity and would create a constitutional monopoly. A so-called "anti-monopoly" resolution (HJR 4), which the General Assembly approved earlier this summer, will also go before voters this fall. If approved, that measure is expected to block marijuana legalization - even if voters also endorse the ResponsibleOhio proposal. The monopolistic and tax provisions of the proposal are similar to those same provisions of the Constitutional amendment authorizing casino gambling in Ohio.

House Community and Family Advancement summer hearings start in Cleveland

Cleveland was the first of three destinations the House Community and Family Advancement Committee will hold this summer. The committee, focused on lifting people out of poverty, heard from several Cleveland-area professionals focused on various aspects of promoting self-sufficiency.

Cleveland Regional Transit Authority CEO Joseph A. Calabrese highlighted a study by the Ohio Department of Transportation which found transit services must be doubled by 2025 to meet projected public demand. He also highlighted the reliance of individuals in poverty on public transit – not only in terms of getting people to and from work, but for daily living tasks such as grocery shopping.

Committee Chair Rep Tim Derickson (R-Oxford) also mentioned the need for affordable housing, along with public transit, as a priority takeaway from the Cleveland hearing.

Other testimony of note was provided by Policy Matters Ohio executive director Amy Hanauer, who indicated that the biggest driver of helping individuals no longer rely on public assistance is the creation of good paying jobs. She cited that out of the state's top 10 industries, only three pay an annual salary of \$27,644 – the salary the state has determined is necessary to allow an individual to live without public assistance.

Also providing testimony for Wednesday's meeting were representatives from the Cleveland Foundation; Garden Valley Neighborhood House; Center for Community Solutions; Ohio Guidestone; The Centers for Families and Children; NewBridge Center for Arts & Technology; Cuyahoga Community College; and Cleveland Central Promise Neighborhood.

Chairman Derickson said he hopes the committee's final report on its summer meetings will serve as a guide on what groups are doing in their communities to assist residents in need, as noted by Gongwer News Service.

While the panel hasn't been tasked with introducing bills based on its discussions throughout the state, the chairman said he'd "be surprised if legislation doesn't follow these hearings." Democrats on the panel said they're hoping that hosting meetings on the road will reenergize the recently created committee, which spent a significant portion of its previous hearings considering abortion-related measures.

The committee's two subsequent summer hearings are slated to be held in Cincinnati on August 18th and in East Liverpool on September 15th.

Initiated statute aimed at reducing prescription drug costs being pursued

The Ballot Board this week certified the Ohio Drug Price Relief Act as a single issue, permitting the initiative's backers at the national IDS Healthcare Foundation and its Ohioans for Fair Drug Prices organization to begin collecting the required 91,677 valid signatures needed to introduce the bill into the legislature.

The group's aim is to reduce prescription drug prices in the state. The initiative would prohibit agencies and other state-funded entities from entering into agreements to purchase prescription drugs, either directly or indirectly, unless the net cost is the same or less than the lowest price paid by the U.S. Department of Veterans Affairs (VA). While the group believes that the VA has the power to negotiate prescription drug contracts and therefore likely pays the lowest prices possible, opponents to the proposal claim that it is difficult to determine exactly what prices the VA pays for various drugs because that information is protected under federal trade secret law. This proposal, if enacted, may impact our current Medicaid reimbursement rate pricing for jail medical costs depending upon how the language is actually written.

If the signatures necessary to introduce the bill into the legislature are obtained, then the legislature has four months to act on the proposal. If the legislation is not passed the group may collect an additional 91,677 valid signatures and place the issue on the statewide ballot to seek voter approval. The initiative's backers expect they will have to take the second step and end up placing the initiative on the November 2016 ballot because they claim its unlikely lawmakers, after years of inaction on the issues, will take a stand against pharmaceutical companies and their drug pricing practices. The proponents note that even Congress has been unwilling to permit Medicare to negotiate with drug companies. The group is also pursuing the same proposal in California. The group believes that the public generally doesn't like the pharmaceutical industry and there is a great deal of resentment about the price of drugs. The group is targeting Ohio because of the spotlight that will be placed on it during the presidential election and is hoping that the rising drug costs become part of the national debate as a result of the push to enact the proposed law in Ohio.

Representative Gerberry submits resignation

Longtime Rep. Ronald Gerberry (D-Austintown) quietly submitted his resignation from the



Rep. Gerberry

House last Friday amid questions over his campaign finances. The allegations became public Tuesday when the *Youngstown Vindicator* reported that the 27-year lawmaker, who is in his second stint in the House, had overpaid vendors from his campaign fund and subsequently received refunds from the vendors. The *Vindicator's* [story](#) said his resignation was part of a plea deal under which he will plead guilty to misdemeanor campaign finance charges.

The Democrat is in the final term of his second period of service in the House and would have been term limited for the second time last year. He previously served in the House from 1982-2000, sandwiching nearly two terms as Mahoning County recorder between his two legislative stints.

The House Democratic Caucus will conduct a candidate-screening panel to gather input from local and regional officials to fill the remainder of Rep. Gerberry's term.

Mr. Gerberry is the second member to depart the House this summer amid scandal. Former Rep. Steve Kraus (R-Sandusky) was disqualified from office last month after a jury found him guilty of felony theft.

Bills Introduced



[SB 202](#) FRONT LICENSE PLATE (Thomas, C.) To specify that failure to display a license plate on the front of a motor vehicle that is required to display a license plate on the front and rear of the vehicle is a secondary traffic offense, to establish a maximum fine of \$25 for such an offense, to name this act the "DuBose Was A Beacon Act," and to amend the version of section 4503.21 of the Revised Code that is scheduled to take effect January 1, 2017, to continue the provisions of this act on and after that effective date. Am. 4503.21 and 4511.043.

Hearing Schedule

Tuesday, August 18



House Community & Family Advancement (Committee Record), (Chr. **Derickson, T.**, 644-5094), CityLink Center, 800 Bank St., Cincinnati, 1:00 pm

Thursday, August 20

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

- Approval of updated JMOC policies - Non-Payroll Expenses Approval of actuary contract My Care Ohio Update: John McCarthy, Ohio Department of Medicaid