



STATEHOUSE REPORT

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September 30, 2016

Infant Mortality bill passes out of the Senate

Senate Bill 332, sponsored by Senator Shannon Jones and Senator Charleta Tavares, passed out of the Senate this week with a vote of 29-1. The legislation is focused on reducing Ohio's high infant mortality rate by improving data collection and focusing on evidence-based practices.

Senator Jones remarked that the focus on evidence-based practices is different than just spending more money on more programs, noting that Ohio has lots of programs designed to battle infant mortality and improve the health of babies, but the state has not seen better results. "We are a very program-rich state, but our state is incredibly system-poor in focusing on outcomes for moms and babies," she said at a news conference.



Sen. Jones



Sen. Tavares

Senator Tavares added "It's really going to help us design a health care system for all of us, because our babies really are the predictor for the health of the entire community." She went on to explain that the bill addresses the social determinants of health - housing, economic situations, the environment and other issues beyond clinical care that can drive health outcomes.

The bill will now move to the House of Representatives for committee hearings and possible passage during lame duck session.

For more information please contact CCAO Policy Analyst [Kate Neithammer](#) at 614-220-7996.

Strong response to jail administrators' survey

Thanks for your help in working with your sheriffs to facilitate the survey which was designed to collect data regarding the breadth and nature of the impact the addicted mentally ill/addicted populations have on county jail operations. The survey was quite extensive and asked jail

administrators to provide critical, valid information in a very short period of time. The survey had an exceptional 75% response rate.

This survey was prepared as a result of discussions among CCAO, the Buckeye State Sheriffs Association (BSSA), the Ohio Jail Advisory Board (OJAB) and the Department of Mental Health and Addiction Services in an effort to maximize potential state funding provided in the next state budget bill to assist county jails with the management and care for their mentally ill/addicted inmates.

CCAO and BSSA are proposing three new programs that would:

- Establish and fund a program managed by the local county behavioral health boards that utilizes Medicaid managed care providers and local providers to assess and treat jail inmates and, upon release, continue treatment under traditional Medicaid coverage. This program will provide a continuity of care for mental health and addiction services that are so critical for many of the individuals incarcerated in our jails.
- Create a state-wide behavioral health triage program that provides regional centers that law enforcement can take individuals to who have been taken into custody or are incarcerated which:
 - Serve as a drop-off center and provide crisis beds for crisis intervention
 - Conduct immediate forensic evaluations
 - Manage detoxification
- Have the Department of Mental Health and Addictions Services' Central Pharmacy provide all psychotropic drugs prescribed for county jail inmates.

These new programs were supported and identified as a priority by the CCAO Justice and Public Safety Committee during its policy development process for the next General Assembly.

Ohio 2020 Tax Policy Study Commission meets, takes testimony from John Glenn College of Public Affairs, Council on State Taxation, Ohio Municipal League and Policy Matters Ohio

The Ohio 2020 Tax Policy Study Commission took testimony from an array of interest groups at a hearing on September 26th. The testimony raised many interesting observations regarding Ohio's system of taxation and the goals of various groups to change it to benefit specific sectors or the population as a whole.

John Glenn College of Public Affairs

Ned Hill, professor of city and regional planning for the John Glenn College of Public Affairs, made a number of interesting observations regarding data collection and taxation in Ohio. Highlights of his presentation include:

- **Lack of uniform chart of accounts hinders data collection and analysis** – Hill recommends developing appropriate charts of accounts for counties, municipalities, villages, school districts and special purpose taxing districts.
- **Municipalities use different fiscal years making comparisons among taxing districts difficult** – Hill recommends some attempt at standardization.
- **Different accounting systems makes comparisons difficult** – Use of generally accepted accounting principles (GAAP), modified accrual and cash accounting by various taxing districts makes comparisons of data challenging.
- **Reliable information on units of local government does not exist** – Hill contends that this lack of information makes benchmarking revenues and expenditures against peer units of government all but impossible.

Hill also warned against the fiscal dangers associated with becoming too dependent on one source of tax revenue. Hill said, “Public policy in Ohio should pay attention to the performance of states that are either overly reliant on one source of tax revenue, have cut taxes very aggressively, or shifted to consumption taxation. There is wisdom in both moderation and diversification [of the tax base].”

Council on State Taxation (COST)

Fred Nicely, former deputy tax commissioner for the Department of Taxation and currently senior tax council for COST, a business group representing approximately 600 major corporations, made the following general observations to the commission:

- **Eliminate the net profits portion of the municipal income tax and centralize collection by the state in collection of the municipal income tax** – current “system negatively impacts tax compliance and hinders economic competitiveness.”
- **Sales Tax Reform** – COST opposes all sales taxes as applied to businesses, as opposed to sales taxes applied to consumers. Business groups refer to sales taxes applied to businesses as taxes on “business inputs.” COST says taxing business inputs places businesses at a competitive disadvantage. CCAO strongly opposes the repeal of business employment services tax embodied in HB 343, a bill supported by business groups and COST.
- **Commercial Activity Tax (CAT)** – COST opposes any increase in the CAT and also opposes anything that will create different tax rates for different classes of vendors. Businesses are also opposed to anything that will increase pyramiding of the CAT.
- **Real Property Tax Appeals** – COST supports SB 85 which would prohibit school districts or other local governments from filing board of revision complaints if the taxpayer has not filed a complaint on the property.

Ohio Municipal League

OML Executive Director Kent Scarrett provided testimony essentially opposing everything that had been previously recommended by advocates for business and tax preparation interests at a previous hearing of the 2020 Commission. Items highlighted by Scarrett include:

- **Centralization of municipal income tax collection by state** – OML strenuously opposes this concept stating that this “will deny municipalities the ability to properly audit business and resident filings that are owed those communities where employees work, raise families and enjoy the services of their hometowns.”
- **100 percent credit for municipal taxes paid to another municipality where a resident may work** – OML contends that this would eliminate the responsibility for

millions of Ohioans to pay taxes to support municipal services that workers and their families receive from their home base municipality.

- **Oppose elimination of the throwback rule** – this issue relates to sales generated through warehouse and distribution centers when a sale is initiated at point “A” and then shipped to location “B.” This proposed change would further reduce municipal income tax revenues.

Policy Matters Ohio

Zach Schiller, research director for Policy Matters Ohio, a liberal public policy think tank provided testimony on a number of topics including:

- **Additional Ohio Income tax cuts** – Policy Matters generally opposes such cuts as they insist that such cuts primarily benefit the wealthy. One of the charges to the 2020 Commission is to recommend a flat income tax rate of 3.5 or 3.75 percent thus replacing the 9 bracket graduated income tax which Ohioans currently pay on income. Policy Matters pointed out that the majority of Ohioans would pay more income taxes under a flat tax and that only high income earners would pay less under such a system.
- **Sales Tax Reform** – Policy Matters supports broadening the sales tax base to include services, particularly consumer services as the purchase by individuals of tangible personal property represents a decreasing percentage of sales tax activity. Policy Matters opposes repeal of the employment services tax (HB 343).
- **Remote Sales Tax Collections** - Policy Matters supports collecting the use tax on internet and catalogue sales which costs Ohio and local governments collectively hundreds of millions in lost revenue each year

For additional information on the 2020 Commission and the testimony covered in this article, contact Brad Cole of the CCAO staff at bcole@ccao.org.

SB 320

Renewal Energy

CCAO Position: Monitoring

Sponsor: Sen. Bill Seitz

Status: Senate Energy and Natural Resources Committee

Key Provisions:

- Revises the requirements for renewable energy, energy efficiency, and peak demand reduction.
- To permit property owners to petition municipal corporations and townships for the purpose of developing and implementing special energy improvement projects.
- To require deployment and permit cost recovery of advanced energy analytics technology by electric distribution utilities.
- To revise the law governing net metering service provided by electric utilities and electric services companies.

Governor vows to veto any bill that extends renewable energy freeze

Senate Bill 320 would extend the renewable energy freeze till 2019. The bill would resume the energy benchmarks up to the year 2020 while removing all penalties and compliance measurements associated with the standards up to that point.

Sen. Seitz has said his substitute bill represents a "happy compromise" between Republicans, who want to extend the freeze until the legality of the Clean Power Plan is sorted, and environmental groups who want the standards reinstated in full. The lawmaker said he has received no feedback from the governor's office on the substitute.

For additional information on energy mandates, please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

Hearing Schedule



Thursday, October 6

20, 2016)

Unemployment Compensation Reform Joint Committee, (Chr. Peterson, B., 466-8156), Rm. 313, 1:00 pm

All testimony