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# 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](http://www.ccao.org)

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**October 13, 2017**

## **Commissioners Gary Lee and Tom Whiston, CCAO submit Testimony to House Committee supporting longer maturities for certain county investments**

County Commissioners Gary Lee (Union) and Tom Whiston (Morrow) submitted written testimony to the House Financial Institutions, Housing and Urban Development Committee in support of [Substitute HB 251](#). The bill would permit counties to invest inactive moneys in bonds of political subdivisions and the state for up to 10 years from the date of settlement, instead of 5 years as provided under existing law. CCAO staffer Brad Cole also [testified](#) in support of Substitute HB 251.



Commissioner Gary Lee

Commissioner Lee noted in his [testimony](#) that the Federal Reserve Bank had reduced interest rates to record low levels due to the Great Recession and that interest rates have never returned to pre-recession levels. He pointed out that Union County investment income in CY 2016 was about a third of what it was ten years ago (2007).

Commissioner Tom Whiston [testified](#) that “generally you can obtain higher earning rates the longer you invest the funds. The ability to generate higher yields and returns on our inactive funds makes sense and would generate additional funds to operate the county.”



Commissioner Tom Whiston

Substitute HB 251 was sponsored by Representative Dave Greenspan (R-Westlake) who is a former Cuyahoga County Councilman.

The bill was favorably reported by the committee following testimony by CCAO. For additional information on this issue please contact Brad Cole of the CCAO staff at [bcole@ccao.org](mailto:bcole@ccao.org)

## Touch base on MCO sales tax proposal

The Senate's proposal to address local revenues lost from the Medicaid MCO sales tax is still undergoing discussions. The proposal provides a one-time allocation of \$50 M and a possible addition of as much as \$30 M to counties and transit authorities - see more in this [Statehouse Report](#).

CCAO and the transit authorities have recommended a distribution model for the new dollars proposed (both the \$50M and possible \$30 M) that would be based on the ratio of the average annual Medicaid MCO sales tax revenue being received by each county in 2015/2016.

Senate President Larry Obhof (R-Medina) has said the proposal could be added to Senate Bill 8, which is currently in conference committee. Counties should continue to touch base with their legislators in both the Senate and the House as these discussions unfold.

Registration is now open for the County Commissioners' and Engineers Associations of Ohio (CCAO/CEAO) Annual Winter Conference and Trade Show

December 10-12, 2017 at the Hyatt Regency Hotel, 350 North High Street, in Columbus.

**Early bird registration deadline – Friday, November 17 [Register here...](#)**

## CCAO backs intrastate crowdfunding legislation

CCAO Managing Director of Research Brad Cole submitted written testimony in support of legislation ([Substitute HB 10](#)) which would permit Ohio to participate in intrastate equity crowdfunding to raise operating funds for Ohio businesses as permitted by federal law. The legislation, which is sponsored by Representative Steve Arndt (R-Port Clinton), is pending before the Senate Transportation, Commerce and Workforce Committee.



Rep. Steve Arndt

The bill permits Ohio Invests Issuers to raise up to \$5 million in one or more offerings over a period of one year. An Ohio Invests Issuer must be an entity organized under Ohio law that meets the following conditions:

- Principal office in Ohio
- 80 percent of assets and gross revenues located in Ohio
- Business must satisfy the requirements under federal exemption for intrastate offers and sales of securities

The escrow agent used for holding payments for the purchase of securities must be a financial institution or credit union authorized to do business in Ohio.

The bill permits licensed security dealers, port authorities and community improvement corporations to act as portal operators for purposes of operating a secure website through which

equity crowdfunding securities may be sold. Entities that are not already licensed security dealers would be required to register with the Ohio Division of Securities and be authorized to do business within the state of Ohio.

Characterizing the legislation as a boon to economic development, Cole said the legislation “has the potential to generate start-up capital for new businesses as well as existing small businesses operating in Ohio.”

For additional information regarding this story, contact Brad Cole of the CCAO Staff at [bcole@ccao.org](mailto:bcole@ccao.org)

## Unemployment Comp bill introduced

This week the House unveiled legislation to revamp Ohio’s unemployment compensation system. [HB 382](#) is sponsored by Rep. Kirk Schuring (R-Canton), who led the working group that has been tasked with finding a long term solution that would prevent the fund from going into the red like it did during the last recession.

[Gongwer](#) news reported that the proposal is expected to bring the plan close to its minimum safe level in 10 years, according to Schuring.

"We hope we can reach it sooner than that, but again, it's a delicate balance because if you extend the weekly benefit freeze, that disrupts the balance between the employee and employer share," he said.



Rep. Schuring

Schuring went on to say that the proposal is expected to be split fairly evenly between employers and employees, with employees expected to pay about 50.5% to employers 49.5% through 2030. The percentage will vary year to year, placing more on employees during a 10-year benefit freeze, then shifting more on the employer when the freeze ends in 2029.

Other changes include:

- Changing the name of the program to the Unemployment Insurance Fund
- Increasing the premium wage base to \$11,000
- Creating an employee coinsurance payment, in which employees will pay 10% of the amount paid by the employer
- Limiting benefits to 24 weeks, with 26 weeks available if the unemployment in the industry is caused by weather, like the building trades

The plan also includes a proposed constitutional amendment to allow the state to issue bonds to pay off debt incurred if the fund needs to borrow money. If approved, the hope is that Ohio would be able to avoid borrowing money from the federal government if another recession hits and the fund runs down.

Rep. Schuring was keen to point out that there is still a lot of work to be done on this issue. Both business and labor will want to weigh in on the proposal as it moves through the legislative process.

"I can't emphasize enough that this is just the beginning of the process," he said. "The hearings will also give people an opportunity to come in and offer suggestions to make this better."



## Take the Board of Elections office space survey

CCAO is conducting a [BOE OFFICE SPACE SURVEY](#) to help us quantify board of elections office space costs. As you are aware CCAO is exploring the concept of counties trading their funding responsibility for administering elections and providing indigent defense in exchange for the state keeping counties' Local Government Funds that would go into their general fund.

While we have obtained reasonably objective data regarding indigent defense, we are having difficulty quantifying the counties' costs in administering elections because there is no data regarding the space utilized by BOEs.

The survey seeks information for the various costs associated with the various types of office space that the board of elections may maintain and any other information that you would like to provide that impacts how your county provides office space to the BOE.

We ask that your county complete the electronic survey and respond on or before **FRIDAY, OCTOBER 20, 2017**. As of today, almost half of the counties have responded – thank you!

If you have questions, please contact either Cheryl Subler [csubler@ccao.org](mailto:csubler@ccao.org) or John Leutz [jleutz@ccao.org](mailto:jleutz@ccao.org).

## Statehouse, Etc.



**Casino, Racino Revenue Little Changed In September** - Ohio's four casinos and seven racinos had revenue totals in September that were little changed from the month before, according to the September revenue [reports](#) released Tuesday. The casinos brought in a total of \$67.1 million in the month, up from \$66.7 million in August. The casinos' September 2016 take was \$63.9 million. At the racinos, revenue from video lottery terminals was \$79.3 million, up less than \$300,000 compared to the previous month. September 2016 revenues were \$73.1 million.

## Bills Introduced



### SB 217

#### BRINE DISPOSAL (SCHIAVONI, J.)

To revise enforcement of the Oil and Gas Law, including increasing criminal penalties and requiring revocation of permits for violations of that Law relating to improper disposal of brine.

## HB 373

### CONCEALED WEAPONS (VITALE, N.)

To permit any person who holds a valid concealed handgun license to carry a concealed handgun in a courthouse, a courtroom, or a government facility of this state or in a government facility of a political subdivision of this state if the political subdivision has not enacted an ordinance or policy that prohibits a licensee from carrying a concealed handgun into the building or the court has not enacted a rule that prohibits a licensee from carrying a deadly weapon or dangerous ordinance into the courthouse or courtroom.

## HB 378

### BROADBAND GRANTS (SMITH, R., CERA, J.)

To create the Ohio Broadband Development Grant Program and to make an appropriation.

## HJR 4

### UNEMPLOYMENT COMPENSATION (SCHURING, K.)

Proposing to enact Section 2t of Article VIII of the Constitution of the State of Ohio to allow the General Assembly to provide by law for the issuance of bonds to pay unemployment compensation benefits when the fund created for that purpose is or will be depleted or to repay outstanding advances made by the federal government to the unemployment compensation program.

## HB 380

### WORKERS COMPENSATION (SEITZ, B., HOUSEHOLDER, L.)

To prohibit illegal and unauthorized aliens from receiving compensation and certain benefits under Ohio's Workers' Compensation Law.

## HB 382

### UNEMPLOYMENT COMPENSATION (SCHURING, K.)

To modify terms describing payments made under the Unemployment Compensation Law, to increase the amount of wages subject to unemployment compensation premiums, to require qualifying employees to make payments to the Unemployment Compensation Insurance Fund, to allow the Director of Job and Family Services to adjust maximum weekly benefit amounts, to reduce the maximum number of benefit weeks, and to make other changes to the Unemployment Compensation Law.

## Hearing Schedule



## TUESDAY, OCTOBER 17

### [Tax Expenditure Review Committee](#)

(Chr. [Oelslager, S.](#), (614) 466-0626), Senate Finance Hearing Rm., 2:30 pm

- Election of Committee Chair
- Presentation by Tax Commissioner Joseph Testa on Ohio's existing tax expenditures

## WEDNESDAY, OCTOBER 18

### CANCELED

#### Senate Session

(Chr. [Obhof, L.](#), (614) 466-4900), Senate Chamber, 1:30 pm

#### HB 362

#### Senate Energy & Natural Resources

(Chr. [Balderson, T.](#), (614) 466-8076), Finance Hearing Rm., 2:30 pm or after session

#### SB 31

#### SEWAGE SYSTEMS ([EKLUND, J.](#))

To authorize a board of county commissioners or municipal legislative authority to elect to withdraw the county or municipal corporation from the application of any rule adopted by the Department of Health after January 1, 2014, that governs the design of household sewage treatment systems. -- 2nd Hearing-Proponent-Possible amendments

#### SB 165

#### BRINE SALES ([DOLAN, M.](#), [SKINDELL, M.](#))

To establish conditions and requirements for the sale of brine from certain oil or gas operations as a commodity and to exempt such a commodity from requirements otherwise applicable to brine. --2nd Hearing-Proponent

## THURSDAY, OCTOBER 19

#### Joint Medicaid Oversight Committee

(Chr. [Huffman, S.](#), (614) 466-7584), Rm. 313, 9:00 am

- Behavioral Health Redesign Update from Barbara Sears, Director, Ohio Department of Medicaid and Tracy Plouck, Director, Ohio Department of Mental Health and Addiction Services

## TUESDAY, OCTOBER 24

#### House Session

(Chr. [Rosenberger, C.](#), (614) 466-3357), House Chamber, 11:00 am

## WEDNESDAY, OCTOBER 25

#### House Session

(Chr. [Rosenberger, C.](#), (614) 466-3357), House Chamber, 1:30 pm

- If needed

## Senate Session

(Chr. [Obhof, L.](#), [\(614\) 466-4900](#)), Senate Chamber, 1:30 pm