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# STATEHOUSE REPORT

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**October 28, 2016**

## **The election is almost upon us...**

By now candidates should have received our CCAO 2016 Candidates' Briefing Guide which outlines our top policy issues, emphasizes the importance of the legislature's role in supporting county government, and highlights the need to strengthen the relationship between the state and counties to make a stronger Ohio. All commissioners, council members and executives also should have received a printed copy of the Guide and can access an [electronic copy](#). When you next meet your candidates, this will give you an excellent opportunity to talk about the Guide and its critical contents.

After election day when you are congratulating your legislators elected to the 132<sup>nd</sup> General Assembly, we ask that you remind them of our major challenges ahead for the next state budget:

### **Loss of Medicaid Managed Care Organizations (MCO) sales tax revenue**

The state has estimated that the required elimination of the sales taxes upon services purchased by Medicaid Managed Care Organizations (MCO) will reduce sales tax revenue collected by counties and county transit authorities by **\$200 million** during SFY 19. It is essential that the legislature act to permanently hold the counties and transit authorities harmless against this devastating loss of revenue that is utilized to fund justice and public safety and provide assistance to protect the most vulnerable citizens.

### **Voting Equipment replacement**

Ohio's current voting equipment, which was largely purchased in 2005 and 2006 to comply with the Help America Vote Act (HAVA), is nearing the end of its lifespan. CCAO, the Ohio Association of Elections Officials, and the Secretary of State's office are proposing to replace voting equipment following the precedent set by Ohio's procurement of electronic poll books. We have been collaborating with the Department of Administrative Services (DAS) to pursue a competitive pricing strategy whereby DAS negotiates with and qualifies vendors for inclusion on the state term contract for optical scan and direct recording electronic voting machines and hybrid tabulating equipment as well as ancillary services such as training, maintenance and warranties. We will be asking the General Assembly for an appropriation to support the counties in acquiring this equipment.



## **Indigent Defense**

The legislature provided additional funding in the last budget to help increase the reimbursement rate towards 50%. To continue this rate of reimbursement, the State Public Defender's Office is projecting additional new funding of \$9.6 million in SFY 18 and \$11.8 million in SFY 19 to provide 50% reimbursement. Without any additional funding the reimbursement rate will fall to 43% in SFY 18 and 42% in SFY 19.

## **. . . and that means the legislature's "lame duck" session cannot be far behind**

CCAO initially will be focusing on four issues, and we encourage our members to discuss these with their legislators:

1. **The significant concern we have with SB 235** as passed by the Senate. SB 235 would allow the owner of commercial and industrial property to freeze the valuation of that property until such property is issued an occupancy permit or other conditions are met, though reset on a ten year basis. The exemption to the property owner would be granted as a matter of right without a limit on the level or duration of the exemption and require no local approval, tax exemption agreement, private sector commitment of investment or jobs. CCAO has joined with 13 other local government organizations to express these concerns in a [letter](#) to House Members.
2. **Obtaining House passage of SB 220** which would let public deferred compensation programs offer a Roth option to participants.

## **Concerns regarding the Medicaid managed care sales tax continue**

A special committee of the Ohio Council of County Officials met at CCAO this week to discuss the impending loss of the Medicaid managed care sales tax. CCAO staff provided a brief history of the tax and shared information on the effect these revenue losses could have on counties. The group, which included representatives from the County Auditors, Clerks, Coroners, Engineers, Prosecutors and Recorders, brainstormed ideas on possible policy solutions and opportunities for advocacy.

Office of Budget and Management Director Tim Keen shared [information](#) with CCAO's Board of Directors in June that outlines the background and scope of the problem. The loss of this sales tax revenue will be a hot button issue for both the state and local governments in the upcoming state budget and CCAO has made this issue one of its top priorities.

To learn more please contact CCAO staffers [Brad Cole](#) or [Kate Neithammer](#).

## Bills Introduced



### HB 607

Track

#### ***WATER QUALITY PROGRAM*** (*PATTERSON, J., SHEEHY, M.*)

To require the Director of Agriculture to adopt rules establishing the Ohio Water Quality Improvement Program, to exempt land enrolled in the Program from taxation, and to reimburse local taxing units for revenue lost due to that exemption.