



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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

November 25, 2015

Unemployment changes will take longer to examine

Labor leaders and advocates for the poor and retired on Tuesday criticized a bill they say addresses the issue of insolvency in the state's unemployment compensation fund on the backs of workers.

Under the legislation – [House Bill 394](#), workers would be forced to shoulder the burden of bringing the state's fund into balance in order to weather an economic downturn in the future, opponents of the measure told members of the House Insurance Committee.

According to the Legislative Service Commission, the bill would reduce employer unemployment tax contributions by an estimated average of \$313 million annually from 2018 to 2025, while at the same time reducing benefit payments by an average of \$475 million per year.

Under the bill, if the Unemployment Compensation Fund is at or below 50% of the minimum safe level, the maximum weekly benefits are frozen at the prior year's level. Based on the project fund balance, Legislative Service Commission analysis anticipates the freeze to go into effect on Jan. 1, 2018. The bill will also reduce the maximum number of weeks a claimant may receive benefits from the current 26 weeks to a range of 12 to 20 weeks, depending on the state unemployment rate at the time the application is filed.



Rep. Barbara Sears

The bill's sponsor, Rep. Barbara Sears (R-Maumee), said the minimum benefit eligibility period of 12 weeks "would only occur at a time like now when unemployment is at an all-time low and job availability is greater." She added that in another steep recession, the federal government could still step in and add additional weeks of eligibility, as it has in the past. According to Rep. Sears, unemployed Ohioans collect benefits for an average of 14 weeks prior to returning to work.

Under the bill, which has the support of business groups, the taxable wage base on which employers pay state unemployment taxes will rise from \$9,000 to \$11,000 until the Unemployment Compensation Fund reached the minimum safe level, which is the lowest amount at which the fund is considered solvent.

However, Matt Smith, legislative director for Ohio AFL-CIO, said the \$11,000 figure is still far too low. Nationally, the average state taxable wage base is \$13,407, he told the committee. The current taxable wage base of \$9,000 has remained unchanged for 20 years.

"The bill tries to fix the insolvency of the trust fund mostly on the backs of working people through harsh cuts to benefits," he said. "This is a completely unbalanced and unfair track to take to solvency as workers earned these benefits and need them to help pay rent and keep food on the table. To try and fix the problem without first tackling the core issue is both wrongheaded and short-sighted."

The sponsor of the bill said Tuesday that "there most certainly are" some changes that will be made. "It was good for me to hear some of the perspective," Rep. Sears said following the second hearing on the measure. "There are some legitimate concerns that I think we're going to talk about; Social Security offsets is probably one of them."

Under the legislation, unemployment compensation benefits are reduced to offset Social Security payments received by beneficiaries.

Another provision in the bill would tie the maximum number of weeks a claimant may receive benefits to the state unemployment rate at the time a claim is filed, which former Rep. Matt Szollosi, now serving as executive director of ACT Ohio, said is problematic for the construction industry.

"The construction industry unemployment rate can range from double to perhaps triple the standard unemployment rate," he told the committee.

Mr. Szollosi also said another provision in the bill - requiring an additional waiting week for claimants whose earnings exceed their weekly benefit amount - could lead to "unforeseen, but potentially very serious complications" in the industry in which workers sometimes rely on "short-calls" for employment.

"It would become significantly more challenging for our referral halls to staff these short calls, because those members assigned to staff the short call would likely be penalized by the additional waiting week," he said.

Rep. Sears originally hoped to get the bill on the House floor by Dec. 9. However, she acknowledged on Tuesday that sometime in January is more likely, saying she need to give the upper chamber ample time to review the legislation.

"It's the construction issue, primarily, that has taken longer," she said. In the meantime, she expects the bill to be further tweaked, but declined to get into specifics. "At some point we'll have a little bit of give and take on a couple of areas," she said.

If you have questions about the bill, contact CCAO Staffer Cheryl Subler at 614-220-7980 or at csubler@ccao.org.

Employment services sales tax exemption legislation receives support from business before House Economic and Workforce Development Committee



Rep. Ron Young

In proponent testimony before the House Economic and Workforce Development Committee business groups led by the Ohio Chamber of Commerce expressed support for legislation ([HB 343](#)) exempting employment services and employment placement services from the sales tax.

The legislation is jointly sponsored by Representatives Ron Young (R-Leroy Township) and Mark Romanchuk (R-Ontario). Representatives Young and Romanchuk both serve on the House Economic and Workforce Development Committee – Romanchuk is vice chair of the committee. Representative Young operated a professional staffing firm which became subject to employment placement services sales tax when the tax was adopted by the legislature in 1993 in response to a state budgetary shortfall caused by the 1991-1992 recession. Representative Young said in sponsor testimony before the committee that the employment services tax was a primary consideration in his decision to run for the legislature in 1996.

Leading the proponent witnesses in support of the repeal of sales tax on employment services tax was the Ohio Chamber of Commerce which characterized the tax as an impediment to the growth of Ohio's economy by raising the cost of creating jobs. Ohio is apparently one of 7 states to impose a sales tax on employment services and the only one to subject temporary employee's wages to the sales tax. The sales tax on employment services establishes several exemptions for employment services contracts that are with a vendor for a period of more than one year and the term "permanent basis" is contained in the contract with a specific start date and no end date for employment. According to opponents, there are ambiguities in the law that result in a significant amount of litigation and substantial compliance costs for employment companies subject to the tax.



Rep. Mark Romanchuk

The bill as introduced proposes to exempt employment services from the tax effective January 1, 2016. The Ohio Legislative Service Commission fiscal note projects the cost to the state general revenue fund for SFY 2017 at \$131 million with increasing losses in future years. The fiscal note projects sales tax revenue losses for counties and transit authorities at \$33 million in SFY 2017. The sales tax exemption would also impact the Local Government Fund and the Public Library Fund to the tune of a \$4.6 million per year loss, split almost equally between the two funds.

HB 343 has had two hearings before the House Economic and Workforce Development Committee and is scheduled for a third hearing on Wednesday, December 2nd where all testimony is to be heard.

For additional information regarding this story contact Brad Cole of the CCAO staff at bcole@ccao.org

House Committee discusses expansion of the Ohio Housing Trust Fund

Recently, an expansion of the Ohio Housing Trust Fund was among the ideas presented to the House Financial Institutions, Housing & Urban Development Committee on how to better serve the state's low-income citizens.

Coalition on Homelessness and Housing in Ohio Executive Director Bill Faith made the pitch during a broad overview of the state's affordable housing efforts. "For the past 25 years Ohio has a strong history and record of success of helping those in need of housing assistance, but much more remains to be done and by properly targeting housing resources we can also help solve other serious problems we face. More than 26% of the 1.5 million renter households in Ohio spend more than 50% of their incomes on rent. These are 290,000 children in 141,255 families, 60,474 seniors, 72,330 disabled people, and 25,409 veterans," Mr. Faith said in his [testimony](#).

"The Ohio Housing Trust Fund is a "critical" tool in filling the housing gap. Since its creation in 1992, the fund has provided about \$670 million to support housing needs among working families, seniors, veterans and those with physical disabilities or mental illnesses, he said. Programs receiving funding have included those aimed at affordable rental housing, permanent housing solutions, local homeless shelters, and home repair and accessibility programs," said Mr. Faith.



Rep. Louis Terhar

According to MR. Faith the program could be doing more. "Funding has been flat for the past 12 years and at times revenues have dropped below the initial goal of at least \$50 million annually because it is currently subject to changes in the housing market," he said. "That means the OHTF receives less funding when the market slumps and need for assistance actually increases."

Committee Chairman Rep. Louis Terhar (R-Cincinnati) said he'd like to see more ideas like that of a measure ([HB 303](#)) the committee reported Wednesday. That proposal would create a deed program allowing qualified home owners to avoid foreclosure by transferring their deed to a lender and then leasing the property back. "There are a lot of inventive ways of being able to attack a problem that's now becoming more difficult," Rep. Terhar said. "The trust fund does work well, but I think we need to get a little more inventive as to how else do we look at this whole thing as a business model, if you will...and figure out how to use business techniques to make sure people get more of what they need."

"It's good to try more options, to put more options on the table for people," Mr. Faith agreed. "We were at record levels of foreclosures in the country for many years even before the recession. So coming up with new harmonies to that I think is a great idea."

Bills Introduced



No new bills

Hearing Schedule



Tuesday, December 1

Senate State & Local Government ([Committee Record](#)), (Chr. [LaRose, F.](#), 466-4823), North Hearing Rm., 9:45 am
[SB 222](#) ADDRESS CONFIDENTIALITY ([Lehner, P.](#), [Williams, S.](#)) To create an address confidentiality program for victims of domestic violence, menacing by stalking, human trafficking, trafficking in persons, rape, sexual battery, and other crimes. --1st Hearing-Sponsor

[HB 56](#) CRIMINAL RECORDS ([Schuring, K.](#), [Slesnick, S.](#)) To limit the use of criminal records in the hiring and employment practices of public employers. --2nd Hearing-All testimony

House Local Government ([Committee Record](#)), (Chr. [Anielski, M.](#), 644-6041), Rm. 018, 10:00 am
[HB 302](#) ANNEXATION ([Henne, M.](#), [Butler, J.](#)) To provide that, beginning five years after a type-II annexation is approved, the annexed territory is subject to a fire, police, or EMS tax levy only if the levy is imposed by the subdivision that provides the fire, police, or EMS service to the territory. --2nd Hearing-
Proponent

[HB 335](#) COURT JURISDICTION ([Craig, H.](#), [Grossman, C.](#)) To specify the jurisdiction of municipal and county courts over municipal traffic ordinances and to establish requirements governing fines, fees, or other charges for traffic violations and infractions imposed by a municipal corporation that does not have the authority to establish a mayor's court. --2nd Hearing-Proponent

Senate Insurance ([Committee Record](#)), (Chr. [Hottinger, J.](#), 466-5838), South Hearing Rm., 10:30 am
[SB 129](#) PRIOR AUTHORIZATIONS ([Gardner, R.](#), [Cafaro, C.](#)) To amend the law related to the prior authorization requirements of insurers. --4th Hearing-Possible substitute

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

House Agriculture & Rural Development ([Committee Record](#)), (Chr. [Hill, B.](#), 644-6014), Rm. 116, 1:00 pm or after session
[SB 209](#) RURAL JOBS ([Hite, C.](#)) To enact the "Ohio Rural Jobs Act" which authorizes a nonrefundable tax credit for insurance companies that invest in rural business growth funds, which are certified to provide capital to rural and agricultural businesses. --1st Hearing-Sponsor

House Ways & Means ([Committee Record](#)), (Chr. [McClain, J.](#), 644-6265), Rm. 121, 1:00 pm or after session
[HB 390](#) TAX EXEMPTION ([Schaffer, T.](#), [Retherford, W.](#)) To exempt the sale of natural gas by a municipal gas company from the sales and use tax. --1st Hearing-Sponsor

[HB 133](#) TAX CREDITS ([Schaffer, T.](#), [Ashford, M.](#)) To authorize an income tax credit for individuals that earn a nonprofit management degree or certain professional designations and to allow a sales tax exemption for out-of-state nonprofit corporations that relocate jobs to Ohio. --3rd Hearing-All testimony-
Possible amendments & vote

House Energy & Natural Resources ([Committee Record](#)), (Chr. [Landis, A.](#), 466-8035), Rm. 017, 1:30 pm or after session
[HCR 29](#) CLEAN POWER PLAN ([Hill, B.](#)) To oppose the United States Environmental Protection Agency's Clean Power Plan. --1st Hearing-Sponsor

[HCR 30](#) PIKETON PLANT ([Rosenberger, C.](#), [Johnson, T.](#)) To urge Congress and the United States Department of Energy to reverse the decision to terminate funding of the American Centrifuge Program at the American Centrifuge Plant in Piketon, Ohio. --1st Hearing-Sponsor

[HB 349](#) EMISSIONS PLAN ([Smith, R.](#), [Ginter, T.](#)) To require the Environmental Protection Agency to submit a state plan governing carbon dioxide emissions to the General Assembly prior to submitting it to the United States Environmental Protection Agency, and to declare an emergency. --2nd Hearing-Proponent & opponent

HCR 24 **CLEAN WATER** ([Rezabek, J.](#), [Ginter, T.](#)) To encourage the United States Senate to take legislative action opposing a clean water rule proposed by the United States EPA. --**3rd Hearing-Proponent & opponent-Possible vote**

HB 267 **DEER** ([Ruhl, M.](#)) To establish a deer sanctuary license to allow a licensee to raise deer, to establish requirements governing such a license, to require the Chief of the Division of Wildlife to issue a wild animal permit to allow a permit holder to rehabilitate deer, to establish procedures that certain law enforcement officers must follow when responding to accidents involving injured or deceased deer, and to require training for those officers regarding humane procedures for euthanizing injured deer. --**3rd Hearing-Proponent & opponent**

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

HB 359 **ADDRESS CONFIDENTIALITY** ([Duffey, M.](#), [Gonzales, A.](#)) To create the address confidentiality program for victims of domestic violence, menacing by stalking, human trafficking, trafficking in persons, rape, sexual battery and other crimes. --**3rd Hearing-All testimony-Possible substitute**

HB 369 **BALANCED BUDGET** ([Koehler, K.](#), [Hambley, S.](#)) To adopt the Compact for a Balanced Budget and to declare an emergency. --**1st Hearing-Sponsor**

HB 342 **WINERY PERMITS** ([Young, R.](#)) To create the Ohio Farm Winery Permit. --**2nd Hearing-Sponsor & proponent-Possible amendments**

House Commerce & Labor ([Committee Record](#)), (Chr. [Young, R.](#), 644-6074), Rm. 122, 2:00 pm or after session

HB 377 **UNION DUES** ([Brinkman, T.](#)) To prohibit any requirement that employees of private employers join or pay dues to any employee organization and to establish civil and criminal penalties against employers who violate that prohibition. --**1st Hearing-Sponsor**

HB 236 **PROFESSIONAL ENGINEERS** ([Landis, A.](#), [Blessing, L.](#)) To require professional engineers to complete continuing professional development hours in professional ethics or rules relevant to engineering or surveying practices. --**4th Hearing-All testimony-Possible vote**

House Transportation & Infrastructure ([Committee Record](#)), (Chr. [Boose, T.](#), 466-9628), Rm. 018, 2:30 pm or after session

HB 218 **DRONES** ([Barnes, J.](#)) To regulate the operation of drones near airports and to impose certain record-keeping requirements on retail sellers of drones. --**1st Hearing-Sponsor**

House Judiciary ([Committee Record](#)), (Chr. [Butler, J.](#), 644-6008), Rm. 116, 3:30 pm

HB 380 **POLICE FIREARM DEATHS** ([Dever, J.](#), [Reece, A.](#)) To require each law enforcement agency to adopt a written policy regarding the investigation of firearms-related officer-involved deaths that involve an officer serving the agency; to provide for investigations into officer-involved deaths by investigatory panels of law enforcement officers; to require an investigatory panel to provide a report of its investigation findings to the prosecutor and the officer's law enforcement agency; to provide for public access to the report, except for information that is not a public record, if the prosecutor determines that there is no basis to prosecute or a grand jury enters a no bill regarding the involved officer; and to require an investigatory panel to inform the deceased individual's family members of contact information for the office of the prosecutor handling the case. --**1st Hearing-Sponsor**

HB 347 **CIVIL FORFEITURES** ([McColley, R.](#), [Brinkman, T.](#)) To eliminate civil asset forfeiture proceedings and to modify the law governing criminal asset forfeitures. --**5th Hearing-All testimony-Possible substitute & vote**

HB 284 **RETIREMENT BENEFITS** ([Dovilla, M.](#), [Anielski, M.](#)) To add extortion and perjury and certain federal offenses to the offenses that may result in forfeiture or termination of public retirement system benefits. --**2nd Hearing-Proponent**

Wednesday, December 2

House Economic & Workforce Development ([Committee Record](#)), (Chr. [Baker, N.](#), 466-0961), Rm. 114, 9:00 am

HB 182 **DEVELOPMENT ZONES** ([Schuring, K.](#)) To revise the law governing the creation and operation of joint economic development districts (JEDDs) and enterprise zones. --**5th Hearing-All testimony-Possible vote**

HB 343 **TAX EXEMPTION** ([Young, R.](#), [Romanchuk, M.](#)) To exempt employment services and employment placement services from sales and use tax. --**3rd Hearing-All testimony**

House Finance & Appropriations ([Committee Record](#)), (Chr. [Smith, R.](#), 466-1366), Rm. 313, 10:00 am

HB 374 **PUBLIC DEPOSITORY** ([Schuring, K.](#)) To authorize the Treasurer of State to determine by rule the total market value of securities that must be pledged to secure the repayment of all uninsured public deposits at a particular public depository, to make other changes relative to the Ohio Pooled Collateral Program, and to declare an emergency. **--2nd Hearing-All testimony-Possible vote**

HB 130 **DATA OHIO BOARD** ([Hagan, C.](#), [Duffey, M.](#)) To create the DataOhio Board, to specify requirements for posting public records online, to require the Auditor of State to adopt rules regarding a uniform accounting system for public offices, to establish an online catalog of public data at data.Ohio.gov, to establish the Local Government Information Exchange Grant Program, and to make an appropriation. **--1st Hearing-Sponsor-Pending referral**

House Insurance ([Committee Record](#)), (Chr. [Hackett, B.](#), 466-1470), Rm. 017, 1:30 pm

HB 394 **UNEMPLOYMENT COMPENSATION** ([Sears, B.](#)) To temporarily change the taxable wage base under Ohio's Unemployment Compensation Law, to remove dependency classes for unemployment compensation benefit eligibility, to temporarily freeze automatic increases for weekly unemployment compensation benefit amounts, to reduce the number of weeks for which an individual may receive unemployment compensation benefits, to abolish the Unemployment Compensation Advisory Council, and to make other changes to Ohio's Unemployment Compensation Law. **--3rd Hearing-All testimony**

House State Government ([Committee Record](#)), (Chr. [Maag, R.](#), 644-6023), Rm. 121, 2:30 pm

HB 240 **CORONER LAW** ([Huffman, S.](#), [Johnson, T.](#)) To recognize that coroners include medical examiners; to change the qualifications for holding office as a coroner of a charter county; to require, under certain conditions, and to authorize, under other conditions, supplemental compensation for coroners who are forensic pathologists; to revise how the office of coroner is filled when a vacancy cannot be filled by election or appointment; to specify the disposition of a firearm when a person meets death under certain circumstances; to specify who pays for the autopsy of an inmate of a state correctional facility; and to make other changes to the coroners' law. **--4th Hearing-All testimony-Possible amendments & vote**

HB 235 **CCW LICENSES** ([Terhar, L.](#)) To waive the concealed carry license fee for active members of the armed forces and retired and honorably discharged veterans and to accept military experience with firearms as proof of competency with firearms regardless of when the applicant for a license acquired the experience. **--3rd Hearing-All testimony-Possible amendments & vote**

Senate Medicaid ([Committee Record](#)), (Chr. [Burke, D.](#), 466-8049), North Hearing Rm., 3:00 pm

HCR 16 **CMS SURVEY** ([Sears, B.](#), [Antonio, N.](#)) To encourage the federal Centers for Medicare and Medicaid Services to revise survey measures included in the Hospital Consumer Assessment of Healthcare Providers and Systems that relate to patient pain management. **--2nd Hearing-Possible vote**

HB 116 **PRESCRIPTION REFILLS** ([Brown, T.](#), [Ginter, T.](#)) To provide for partial drug prescription refills for the purpose of synchronizing multiple prescriptions for one patient. **--3rd Hearing-Possible amendments & vote**