



STATEHOUSE REPORT

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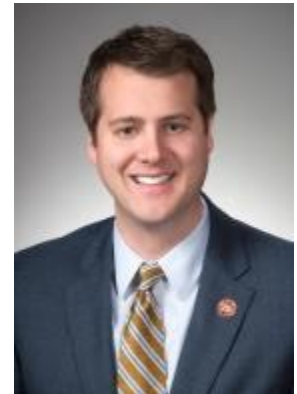
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December 1, 2017

CCAO and other local governments weigh in on property tax challenge legislation

The House Ways and Means Committee received testimony from CCAO and other local government groups on legislation sponsored by Rep. Merrin (R-Monclova Township) to require additional actions by government entities when seeking property valuation changes through local boards of revision.

[HB 343](#) would require local government boards and legislative authorities to provide separate notice to each owner of a parcel prior to the consideration of a resolution at a public meeting to initiate a complaint on a parcel before the board of revision (BOR). In addition to the notice requirement, each local government entity would have to adopt a separate resolution for each parcel subject to a complaint before the BOR. Failure to comply with the notice, meeting and resolution requirements of the bill would prevent the BOR from considering a complaint.



Representative Merrin

These requirements for additional notices and resolutions prior to the initiation of a complaint by a local government with the BOR would be in addition to the existing requirement that the county auditor notify each property owner of each complaint within 30 days of the close of the time for filing of complaints. Existing law also requires the BOR to notify any complainant and the property owner of the time and place of a hearing by the board of revision on a complaint at least 10 days before the hearing.

In opponent [testimony](#) CCAO Managing Director of Research Brad Cole said, “Compliance with the provisions of HB 343 could prove burdensome both for boards and legislative authorities filing complaints and counterclaims, and boards of revision attempting to enforce the provisions of the bill.”

Also testifying against the bill was School Business Officials representative [Barbara Shaner](#) who testified, “Ohio’s current property valuation and tax system has worked to benefit its citizens for decades. We believe it affords all interested parties the ability to participate in the process, providing a proper procedure for checks and balances to preserve and maintain fair and equal taxation practices. HB 343’s unnecessary changes to this long-respected system are highly objectionable.”

Interested party [testimony](#) was offered by Fairfield County Auditor Jon Slater on behalf of the County Auditors Association of Ohio. With respect to boards of revision, Mr. Slater testified

“Trying to determine whether the requirements [of HB 343] have been met would cause unnecessary delays and confusion and processing, hearing and ruling on legitimately filed complaints of value.” The Auditors of Association also noted problems associated with the requirement that each resolution contain only one parcel per complaint. They pointed out that a single economic unit might have many parcels requiring many resolutions and notices even when the property in question constitutes a single economic unit.

Several other witnesses testified both in favor and against the bill. For additional information regarding this legislation contact [Brad Cole](#) of the CCAO policy staff.

Residential development exemption bill draws opposition from local government and school groups



The House Ways and Means Committee also heard opponent testimony from local government groups on legislation sponsored by Rep. Merrin (R-Monclova Township) to exempt from property tax the increased value of unimproved land subdivided for residential development until construction begins or the land is sold.

A joint [memorandum](#) featuring the logos of ten organizations including CCAO, the County Auditors Association, the Ohio Municipal League, Ohio Township Association, Ohio Library Council, Ohio Association of Community Boards of Developmental Disabilities, and all three school groups representing school boards, treasurers and superintendents was submitted to the House Ways and Means Committee opposing [HB 371](#).

The joint memorandum highlighted the following problems with HB 371:

- The bill deviates significantly from current practice and appraisal methodology of valuing all property according “true” or fair market value. The memo states that “this legislation is a drastic alteration of the uniform standards of appraisal practice and could have unintended consequences on the value of neighboring parcels.”
- The bill creates new terminology, “ascribed taxable value” which equals a portion of the taxable value of the original property before it was subdivided. The memo states that this new terminology “has the potential to be used more broadly and in random fashion to alter the equalization of the valuation of real property.”
- The fiscal note on the bill points out that the revenue losses could be substantial and could amount to several million dollars, particularly in counties experiencing rapid residential growth
- Reductions of property valuations for developers could lead to higher property tax obligations for other taxpayers, in effect shifting the tax burden from one group of taxpayers to others.

Warren County Auditor Matt Nolan expressed “strong opposition” to HB 371 on behalf of the County Auditors Association of Ohio (CAAO). In his testimony, Nolan said that if HB 371 were in

place the estimated property tax loss to Warren county local governments now would be \$2,745,000. He added that if this bill was in effect in 2009 the revenue losses would have amounted to \$2,000,000 per year for 4-5 years.

Several other witnesses testified for and against HB 371. Hearings are expected to continue. For additional information regarding this bill please contact [Brad Cole](#) of the CCAO policy staff.

Broadband expansion bill supported by CCAO in committee

CCAO Managing Director of Research Brad Cole submitted written [testimony](#) to the House Finance Committee in support of broadband expansion legislation ([HB 281](#)) sponsored by Representative Carfagna (R-Genoa Township).



The bill would establish a residential broadband expansion program within the Ohio Development Services Agency to award matching grants for last mile broadband expansion in municipal corporations and townships. The bill envisions communities permissively sponsoring a share (one third) of the last mile of infrastructure costs with equal support (one third) from the county. Provided the local support is provided, local governments would submit an agreement and application to the Development Services Agency which would be required to fund the remainder of project costs subject to the limit of appropriated state funds. The bill includes an appropriation of \$2 million in Development Services Agency funds for this purpose.

In testimony Cole quoted the CCAO legislative platform which states, “Access to broadband is critical for the development of technology, enhancement of educational opportunities, delivery of healthcare and growth of commerce. Ohio needs to aggressively promote access to broadband service throughout Ohio. The General Assembly must be committed to examining the barriers that limit access to broadband and promoting sound policies that encourage access to broadband in order to stay competitive in the national economy.”

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



Budget cleanup bill passes

[Senate Bill 8](#), which was selected as a vehicle to clean up some items in the state budget bill, passed out of conference committee and has now achieved approval from both the House and Senate.

A few amendments included in the bill that are of interest to counties include:

Sales tax exemption – The bill creates a sales tax exemption for eyeglasses and contacts beginning July 1, 2019.

Appropriation for facility upgrades to the STAR Community Justice Center in Scioto County - The bill amends the use of previously appropriated \$1.25 million in capital funds to rehabilitate the Ohio River Valley Jail Facility to provide that those funds may also be used for expenses related to upgrading and expanding the capacity of the STAR Community Justice Center located in Franklin Furnace, Scioto County in addition. Current law provided for the appropriation to be used for the development of the Ohio River Valley Jail Facility.

Prisoner transport by the sheriff of inmates between the county jail and the municipal and county courts – This provision responds to a recent Ohio Attorney General Opinion that found that the current practice of sheriff’s deputies transporting prisoners of the municipal and county courts to not be authorized by law. SB 8 codifies and allows this practice to continue by allowing for a contract between the municipal or county court and the county sheriff and provides that the contract must provide for the costs of transportation and must not last for more than four years. This provision should not create additional costs for municipal or county courts as these services are already provided. The bill also requires that deputy sheriffs serve as ex officio deputy bailiffs of a municipal court within the county or the county court and are to perform without additional compensation any duties with respect to cases within the court’s jurisdiction as assigned by the judge, the clerk, or a bailiff or deputy bailiff of the court. These bailiff functions are currently provided by law enforcement personnel, including sheriff’s deputies, without compensation, so the provision should not create any additional cost for the courts or county.

Level I medical marijuana cultivator licenses announced

The state awarded 12 Level I cultivator licenses for medical marijuana producers this week. Level I allows for a maximum 25,000 square foot facility. There are also Level II facilities, which allow for a 3,000 square foot space. These cultivation sites will not be open to the public and will be secured businesses that operate at least 500 feet from daycare centers, residential neighborhoods, schools and churches. You can see the list of recipients and their corresponding counties below. If you’d like to know more please contact [John Leutz](#) on the CCAO policy staff.



Level I Cultivator Provisional License Recipients

- [Score - 179.28 Buckeye Relief LLC \(Eastlake, Lake County\)](#)
- [Score - 173.44 Grow Ohio Pharmaceuticals LLC \(Newton Township, Muskingum County\)](#)
- [Score - 173.28 OPC Cultivation LLC \(Huron, Erie County\)](#)
- [Score - 172.72 Riviera Creek Holdings LLC \(Youngstown, Mahoning County\)](#)
- [Score - 167.64 Pure Ohio Wellness LLC \(Springfield, Clark County\)](#)
- [Score - 167.08 Columbia Care OH LLC \(Mt. Orab, Brown County\)](#)
- [Score - 165.48 Terradiol Ohio LLC \(Canton, Stark County\)](#)
- [Score - 161.28 Standard Wellness Company LLC \(Gibsonburg, Sandusky County\)](#)
- [Score - 161.28 AT-CPC of Ohio LLC \(Akron, Summit County\)](#)
- [Score - 159.80 Cresco Labs Ohio LLC \(Yellow Springs, Greene County\)](#)
- [Score - 153.08 Parma Wellness Center LLC \(Parma, Cuyahoga County\)](#)
- [Score - 142.04 Harvest Grows LLC \(Hamilton Township, Lawrence County\)](#)
- [Score - 142.04 Harvest Grows LLC \(Cleveland, Cuyahoga County\)](#)

Bills Introduced



[HB 427](#) SUBSTANCE ABUSE ([YOUNG, R.](#))

To require the Department of Health to publish monthly drug overdose death information for each county, to create grant programs to support faith-based substance abuse services, to authorize an income tax deduction for physicians providing such services for free, and to allocate funds and make an appropriation for the grant programs.

[HB 430](#) ENERGY TAX EXEMPTION ([SCHAFFER, T.](#))

To expand the scope of a sales and use tax exemption for certain kinds of property used in the production of oil and gas.

Hearing Schedule



MONDAY, DECEMBER 4

[House Rules & Reference](#)

([CHR. Rosenberger, C.](#), [\(614\) 466-3506](#)), RM. 119, 10:45 AM

[House Session](#)

([CHR. Rosenberger, C.](#), [\(614\) 466-3357](#)), HOUSE CHAMBER, 11:00 AM

[Senate Rules & Reference](#)

([CHR. Obhof, L.](#), [\(614\) 466-7505](#)), MAJORITY CONF. RM., 11:00 AM

[Senate Session](#)

([CHR. Obhof, L.](#), [\(614\) 466-4900](#)), SENATE CHAMBER, 1:30 PM

[House Economic Development, Commerce & Labor](#)

([CHR. Young, R.](#), [\(614\) 644-6074](#)), RM. 113, 1:30 PM

[HB 392](#) APIARY DAMAGES ([STEIN, D.](#))

To grant specified apiary owners immunity in personal injury or property damage cases. --2nd hearing-proponent

[House State & Local Government](#)

([CHR. Anielski, M.](#), [\(614\) 644-6041](#)), RM. 017, 2:30 PM OR AFTER SESSION

[SB 144](#) DISABILITIES COUNCIL ([BURKE, D.](#))

To abolish the opportunities for ohioans with disabilities commission, consumer advisory committee, and governor's council on people with disabilities and to establish a state

rehabilitation services council known as the opportunities for ohioans with disabilities council. --
3rd hearing-all testimony-possible amendments & vote

HB 415 ROAD IMPROVEMENTS (GREENSPAN, D., RYAN, S.)

To allocate one-half of any surplus revenue to a new local government road improvement fund,
from which money will be distributed directly to local governments to fund road improvements. --
1st hearing-sponsor

House Criminal Justice

(CHR. Manning, N., (614) 644-5076), RM. 122, 11:00 AM

HB 419 EMERGENCY LIABILITY (HENNE, M.)

To modify the defense to the liability of a member of a police or fire department or emergency
medical service of a political subdivision for the negligent operation of a motor vehicle in
response to an emergency by requiring that the vehicle has its lights and sirens simultaneously
activated. --1st hearing-sponsor

House Aging & Long Term Care

(CHR. Arndt, S., (614) 644-6011), RM. 122, 2:30 PM

HB 413 OPERS BENEFITS (SCHERER, G.)

Regarding public employees retirement system (pers) annual cost-of-living adjustments granted
to allowance and benefit recipients and pers service credit for services as a nonteaching school
employee of a county board of developmental disabilities. --1st hearing-sponsor