



STATEHOUSE REPORT

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December 2, 2016

Substitute property tax exemption bill accepted, grants local governments authority to approve/deny valuation freeze

The House Finance Committee chaired by Representative Ryan Smith (R-Bidwell) held two hearings on SB 235 this past week. The committee accepted [Substitute SB 235](#) for consideration. A comparison document comparing the Senate and House versions of SB 235 are available [here](#).

As noted in the [November 23 edition of the Statehouse Report](#), CCAO and other local government groups had submitted a revised industrial/commercial property tax “freeze” proposal to Chairman Smith during the previous week.

Under the substitute bill pending before the committee, a property tax freeze application for a parcel would be submitted to the legislative authority of a municipal corporation for approval in the case of a parcel located in the incorporated area and would be submitted for approval to either the board of commissioners or the board of township trustees for a parcel located in the unincorporated area.



Rep. Smith

This represents a significant improvement over the Senate passed version of the legislation which required no approval of a property tax exemption from a municipal corporation, county or township.

The substitute bill also significantly shortens the time period during which the “freeze” would be in place from (up to) 10 years to a maximum of 6 years. The revised bill fixes an exempted parcel’s taxable value at its fair market value in the year before the exemption first applies. The property tax freeze would terminate when any of the following events occur:

- A certificate of occupancy is issued to the owner of an industrial or commercial building on the property.
- The property owner transfers title to the property to another person.

- Applicable zoning requirements change such that construction of a new commercial or industrial building is no longer a permitted use.
- If the land is subject to subdivision, separate requirements apply.
- Any commercial, agricultural, or industrial operations are conducted on the property.

Under the substitute bill, as a condition for receiving an exemption, each parcel owner is required to submit a statement from the county treasurer certifying that the parcel is not subject to any unpaid property tax or assessments.

The revised bill specifically clarifies that if agricultural operations are conducted on the parcel then such parcel is not eligible for the property tax freeze. Furthermore, any parcel is subject to a recoupment charge equal to the last 3 years of an exempted parcel's tax savings if either:

1. The parcel is sold and the seller made no improvements to the parcel before sale.
2. Commercial, agricultural, or industrial operations are conducted on the parcel before receipt of an occupancy permit.

The revised bill also expands the area of the state that is eligible for possible exemption to include land that is not zoned. The Senate passed bill required a parcel to be zoned to allow commercial or industrial development as a condition of receiving the exemption. Approximately 600 of Ohio's 1300 townships are not currently subject to either county rural zoning or township zoning. The only restriction under the House version of the bill is that the land cannot be zoned such that industrial or commercial structures are not a permitted use for a parcel to be eligible for a property tax freeze.

Lastly, the sub bill would permit local governments to approve exemptions beginning in tax year 2017.

CCAO has been working with other organizations representing local government interests. It is anticipated that the House Finance Committee will consider possible amendments to the bill on December 6 and that an amended bill will be reported by committee on that date. CCAO and other local government organizations will be seeking amendments clarifying that:

1. If the parcel is in an existing TIF, the application is filed and considered by the municipality, county or township that established the TIF.
2. If a parcel is within a municipal corporation, the application is delivered to the municipal corporation
3. If a parcel is in the unincorporated area of an urban township, the application goes to the urban township trustees.
4. For all other applications in the unincorporated area, the application for a property tax freeze may be filed with either the county or the township, but the application should be approved by both the township and the county.
5. The bill should require local governments including school districts affected by a property tax exemption to be notified by the county prior to the approval of a property tax exemption.

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

Ohio House and Senate hold hearings on unemployment compensation reform

The plan to overhaul Ohio's unemployment compensation system was reborn in companion bills at the beginning of this week and both bills got mixed reviews during committee hearings. The legislation included in [HB 620](#) and [SB 374](#) expands the taxable wage base from \$9,000 to \$11,000 starting in 2018, and changes the maximum duration of benefits of 26 weeks to a sliding scale between 20 and 26 weeks.

The overriding complaint from opponents was that the plan achieves its goal of making the unemployment compensation fund solvent largely on the backs of employees. Many of the witnesses who testified asked the legislators to continue working on the issue in January rather than passing it in lame duck. The senate also heard requests to postpone legislation until early next year so that interested parties could have more time to work on a solution together.

Proponents highlighted how the legislation will provide much needed stability to the unemployment compensation trust fund and that long term solvency of the fund is a problem that needs to be addressed now.

For more information please contact CCAO staffer Kate Neithammer at kneithammer@ccao.org.

HB 620/SB 374

Revise Unemployment Compensation

CCAO Position: Interested Party

Sponsors: Rep. Schuring and Sen. Peterson

Key Provisions:

- Increase the taxable wage base under the Unemployment Compensation Law
- To temporarily freeze the maximum amount of weekly unemployment benefits a claimant may receive
- To revise the amount of dependent unemployment benefits a claimant may receive
- to make other changes to Ohio's Unemployment Compensation Law.

House set to pass Energy Mandate Bill next week

Both chambers have had heard many hours of testimony this week on their respected energy mandate initiatives, [HB 554](#) and [SB 320](#). Both bills will shift the frozen energy mandates into unenforceable goals for three years.

After a committee hearing that lasted more than seven hours, the House Public Utilities Committee amended and reported HB 554 out of committee. This sets the bill up to have a full vote of the House, as soon as next Tuesday, December 6th.

The committee heard from many opponents who believe the bill's approach to implementing the standards as unenforceable goals until a cumulative, three-year benchmark kicks in in 2020 will push Ohio further behind other states.

Wind Turbine Setback Amendment tabled

A handful of witnesses testified lawmakers should eliminate the 2014 law setting the minimum distance between wind turbines and neighboring property at 1,125 feet - a move energy advocates say stalled the state's wind development. [Rep. Kent Smith](#) (D-Euclid) offered an amendment to allow local municipalities to establish their own setback requirements for wind turbines, but it was tabled by the committee.

The committee accepted three amendments:

- Providing that a utility company applying banked energy efficiency savings or banked peak demand reductions to achieve compliance with the benchmarks may receive shared savings for that compliance year provided that: it did not previously receive such savings and it is using only as much banked savings or reductions as necessary to meet, and not exceed, the standards.
- Clarifying the bill's intent that a report on compliance to be made available by the Public Utilities Commission of Ohio to the public is the same report the commission must provide the General Assembly.
- Replacing the word "requirements" with the word "provisions," in a corrective amendment from the Legislative Service Commission.

Similar testimony was also heard in the Senate Energy & Natural Resources Committee on SB 320. Of the two bills, the Senate version remains the broadest in scope. A comparative analysis of the two bills is available by clicking on the following [link](#).

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

SB 320 / HB 554

Renewal Energy

CCAO Position: Monitoring

Sponsor: Sen. Seitz / Rep. Amstutz

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.

Bills Introduced



<u>SB 373</u>
ETHICS LAW (SEITZ, B.)
To revise the Ethics law.
<u>SB 374</u>
UNEMPLOYMENT COMPENSATION (PETERSON, B.)
To increase the taxable wage base under the Unemployment Compensation Law, to temporarily freeze the maximum amount of weekly unemployment benefits a claimant may receive, to revise the amount of dependent unemployment benefits a claimant may receive and to make other changes in Ohio's Unemployment Compensation law.
<u>HB 620</u>
UNEMPLOYMENT COMPENSATION (SCHURING, K.)

To increase the taxable wage base under the Unemployment Compensation Law, to temporarily freeze the maximum amount of weekly unemployment benefits a claimant may receive, to revise the amount of dependent unemployment benefits a claimant may receive and to make other changes in Ohio's Unemployment Compensation law.

HB 621

HEROIN ADDICTION ([ANTANI, N.](#))

To establish a program to reduce heroin addiction and death rates in Ohio and to make an appropriation.

HJR 13

STATE BONDING ([AMSTUTZ, R.](#), [CURTIN, M.](#))

To adopt the recommendations of the Ohio Constitutional Modernization Commission relative to the issuance of general obligation bonds to pay the costs of facilities for mental health and developmental disabilities, parks and recreation, and housing of agencies of state government and relative to the elimination of obsolete provisions concerning bond authorization, the sinking fund, and the Sinking Fund Commission.

Hearing Schedule



MONDAY, DECEMBER 5

House Rules & Reference

(Chr. [Amstutz, R.](#), (614) 466-1474), Rm. 119, 10:30 am

House Government Accountability & Oversight

(Chr. [Blessing, L.](#), (614) 466-9091), Rm. 114, 3:00 pm

HB 620

UNEMPLOYMENT COMPENSATION ([SCHURING, K.](#))

To increase the taxable wage base under the Unemployment Compensation Law, to temporarily freeze the maximum amount of weekly unemployment benefits a claimant may receive, to revise the amount of dependent unemployment benefits a claimant may receive and to make other changes in Ohio's Unemployment Compensation law. --**3rd Hearing**

HJR 12

COURTS OF CONCILIATION ([AMSTUTZ, R.](#), [CURTIN, M.](#))

Proposing to repeal Sections 19 and 22 of Article IV of the Constitution of the State of Ohio to adopt the recommendation of the Ohio Constitutional Modernization Commission to eliminate the authority of the General Assembly to establish courts of conciliation and to eliminate the authority of the Governor to appoint a supreme court commission. --**1st Hearing-Sponsor**

HJR 13

STATE BONDING ([AMSTUTZ, R.](#), [CURTIN, M.](#))

To adopt the recommendations of the Ohio Constitutional Modernization Commission relative to the issuance of general obligation bonds to pay the costs of facilities for mental health and developmental disabilities, parks and recreation, and housing of agencies of state government and relative to the elimination of obsolete provisions concerning bond authorization, the sinking fund, and the Sinking Fund Commission. --**1st Hearing-Sponsor-Pending referral**

HB 613

SUNSET REVIEW LAW ([AMSTUTZ, R.](#))

To revise and renew the Sunset Review Law, to require that a Sunset Review Committee be convened to function during each oddnumbered General Assembly, and to declare an emergency. --**3rd Hearing-All testimony**

TUESDAY, DECEMBER 6

House Finance

(Chr. [Smith, R.](#), (614) 466-1366), Rm. 313, 9:00 am

SB 235

PROPERTY TAXES ([BEAGLE, B.](#), [COLEY, B.](#))

To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. --**5th Hearing-All testimony-Possible amendments & vote**

SB 331

PET STORES ([PETERSON, B.](#))

To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. --**3rd Hearing-All testimony-Possible amendments & vote**

SB 319

DRUG REGULATIONS ([EKLUND, J.](#))

To revise certain laws regarding the regulation of drugs, the practice of pharmacy, and the provision of addiction services. --**3rd Hearing-All testimony-Possible amendments & vote**

SB 332

INFANT MORTALITY ([JONES, S.](#), [TAVARES, C.](#))

To provide for the implementation of recommendations made by the Commission on Infant Mortality and to authorize pharmacists to administer by injection certain prescribed drugs. --**3rd Hearing-All testimony-Possible amendments & vote**

Joint Legislative Ethics Committee

(Chr. [Rosenberger, C.](#), (614) 728-5100), Rm. 113, 9:30 am

House Energy & Natural Resources

(Chr. [Landis, A.](#), [\(614\) 466-8035](#)), Rm. 114, 9:30 am

HB 522

INJECTION WELLS ([PHILLIPS, D.](#))

To prohibit injection of brine and other waste substances except in class I injection wells, to prohibit the conversion of oil and gas wells, to require municipal or township approval prior to the issuance of an oil or gas well permit, and to levy a fee on the injection of brine and other waste substances into a class I injection well. --**1st Hearing-Sponsor**

Senate Insurance

(Chr. [Hottinger, J.](#), [\(614\) 466-5838](#)), South Hearing Rm., 10:30 am

HB 388

OVI OFFENSES ([SCHERER, G.](#))

To authorize a court to grant unlimited driving privileges with an ignition interlock device to first-time OVI offenders, to expand the penalties related to ignition interlock device violations, to modify the law governing the installation and monitoring of ignition interlock devices, to extend the look back period for OVI and OVI-related offenses from six to ten years, and to modify the penalties for OVI offenses. --**3rd Hearing-Opponent-Possible vote**

House Rules & Reference

(Chr. [Amstutz, R.](#), [\(614\) 466-1474](#)), Rm. 119, 10:30 am

House Session

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

Senate Rules & Reference

(Chr. [Faber, K.](#), [\(614\) 466-7584](#)), Majority Conf. Rm., 11:00 am

Senate Session

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

House Government Accountability & Oversight

(Chr. [Blessing, L.](#), [\(614\) 466-9091](#)), Rm. 114, 1:30 pm

HB 506

JOBOSHIO ([JOHNSON, G.](#), [SMITH, K.](#))

To allow the Auditor of State to conduct full audits of JobsOhio, to require all nonprofit economic development corporations that receive public funds to make annual disclosures related to both their public and private funds, and to require that JobsOhio submit a quarterly progress report detailing all of its active projects. --**1st Hearing-Sponsor**

HCR 15

PETE ROSE ([KUHNS, C.](#), [SHEEHY, M.](#))

To urge the Commissioner of Major League Baseball to remove Peter Edward "Pete" Rose from Major League Baseball's permanently ineligible list as soon as possible and to urge the Baseball Writers' Association of America and the National Baseball Hall of Fame to include Rose on the Hall of Fame ballot. --1st Hearing-Sponsor

HB 122

PUCO MEMBERSHIP ([LELAND, D.](#))

To require that each major political party be represented on the Public Utilities Commission, to specify that not more than three commissioners may belong to or be affiliated with the same major political party, and to require that Public Utilities Commission Nominating Council lists of nominees include individuals who, if selected, ensure that each major political party is represented on the Commission. --1st Hearing-Sponsor

HB 73

STATE INSTITUTIONS ([LEPORE-HAGAN, M.](#), [GERBERRY, R.](#))

To establish provisions regarding the possible closing, sale, or privatization of state institutional facilities. --1st Hearing-Sponsor

HB 108

HEARING BROADCASTS ([RETFERFORD, W.](#), [RAMOS, D.](#))

To require the Ohio Government Telecommunications service to broadcast all standing committee meetings of the Ohio House of Representatives as they occur. --1st Hearing-Sponsor

HB 263

PAY RAISES ([ROGERS, J.](#), [CELEBREZZE, N.](#))

To increase judicial salaries and the salaries of county elected officials, township trustees, township fiscal officers, and boards of elections members, to reinstate the annual cost of living adjustment to their salaries, and to make appropriations. --1st Hearing-Sponsor

WEDNESDAY, DECEMBER 7

House Rules & Reference

(Chr. [Amstutz, R.](#), (614) 466-1474), Rm. 119, 9:30 am

House Finance

(Chr. [Smith, R.](#), (614) 466-1366), Rm. 313, 10:00 am

SB 235

PROPERTY TAXES ([BEAGLE, B.](#), [COLEY, B.](#))

To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. --6th Hearing-All testimony-Possible amendments & vote

SB 331

PET STORES ([PETERSON, B.](#))

To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. --4th Hearing-All testimony-Possible amendments & vote

SB 319

DRUG REGULATIONS ([EKLUND, J.](#))

To revise certain laws regarding the regulation of drugs, the practice of pharmacy, and the provision of addiction services. --4th Hearing-All testimony-Possible amendments & vote

SB 332

INFANT MORTALITY ([JONES, S.](#), [TAVARES, C.](#))

To provide for the implementation of recommendations made by the Commission on Infant Mortality and to authorize pharmacists to administer by injection certain prescribed drugs. --4th Hearing-All testimony-Possible amendments & vote

House Government Accountability & Oversight

(Chr. [Blessing, L.](#), [\(614\) 466-9091](#)), Rm. 122, 10:00 am

Senate Rules & Reference

(Chr. [Faber, K.](#), [\(614\) 466-7584](#)), Majority Conf. Rm., 11:00 am

House Session

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

Senate Session

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

THURSDAY, DECEMBER 8

House Government Accountability & Oversight

(Chr. [Blessing, L.](#), [\(614\) 466-9091](#)), Rm. 114, 8:30 am

House Finance

(Chr. [Smith, R.](#), [\(614\) 466-1366](#)), Rm. 313, 9:00 am

SB 235

PROPERTY TAXES ([BEAGLE, B.](#), [COLEY, B.](#))

To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. --7th Hearing-All testimony-Possible amendments & vote

SB 331

PET STORES ([PETERSON, B.](#))

To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. --5th Hearing-All testimony-Possible amendments & vote

SB 319

DRUG REGULATIONS ([EKLUND, J.](#))

To revise certain laws regarding the regulation of drugs, the practice of pharmacy, and the provision of addiction services. --5th Hearing-All testimony-Possible amendments & vote

SB 332

INFANT MORTALITY ([JONES, S.](#), [TAVARES, C.](#))

To provide for the implementation of recommendations made by the Commission on Infant Mortality and to authorize pharmacists to administer by injection certain prescribed drugs. --5th Hearing-All testimony-Possible amendments & vote

Senate Rules & Reference

(Chr. [Faber, K.](#), [\(614\) 466-7584](#)), Majority Conf. Rm., 10:00 am

House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 10:00 am

Senate Session

(Chr. [Faber, K.](#), [\(614\) 466-4900](#)), Senate Chamber, 11:00 am