



STATEHOUSE REPORT

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Lawmakers wrap up two-year session with lots of action

Dozens of measures, some carrying a multitude of state law changes, moved through the General Assembly this week to wrap up the 131st General Assembly's lame duck session. Substantial bills on concealed weapons, economic development programs, unemployment compensation, energy mandates and a host of other topics are heading to Governor Kasich's desk for consideration.



The sheer volume of legislation that moved Thursday, coupled with negotiations among leaders, and farewells to departing members, pushed the action into Friday morning. The House ended its work just before 3:30 AM, finishing up just a few minutes after the Senate adjourned.

This issue of the Statehouse Report covers a handful of proposals the Association has been communicating to our membership about in recent weeks. Next week's edition will provide a more thorough listing of legislation passed that impacts county government.

If you have questions about a particular bill, please feel free to contact a member of the CCAO Policy Team at 614-221-5627.

Lastly, but most importantly, thank you to our CCAO members who have taken the time to work with their lawmakers on these very important issues. You make the difference!

We also encourage you to follow up with your legislators to express your appreciation to them as they have been very busy.

Concealed carry law modifications will provide local option

When the dust settled over the debate regarding HB 48 and SB 199 current law was maintained regarding the prohibition to carry concealed in government buildings.

However, SB 199, which became the eventual vehicle, now gives local governments the option to permit carrying concealed inside government buildings under their control. Upon the effective

date of the Act, assuming it is signed by the governor, the operative section of the Revised Code will read – the new language underlined:

2923.126 (B) ... A valid license does not authorize the licensee to carry a concealed handgun into any of the following places: ...

(7) Any building that is a government facility of this state or a political subdivision of this state and that is not a building that is used primarily as a shelter, restroom, parking facility for motor vehicles, or rest facility and is not a courthouse or other building or structure in which a courtroom is located that is subject to division (B)(3) of this section, unless the legislative authority having authority over the building has enacted a statute or ordinance that permits a licensee to carry a concealed handgun into the building;

One other provision of SB 199 will allow sheriffs to also use the portion of the concealed carry license fee that is charged by the sheriff for the purchase of ammunition and firearms to be used by the sheriff and the sheriff's employees in addition to the current purposes of covering the sheriff's office administrative costs of issuing a CCW license or costs associated with a firearm safety education program or a firearm training or qualification program that the sheriff chooses to fund.

The law currently prohibits, and will continue to prohibit, carrying concealed in a courthouse or another building or structure in which a courtroom is located and a sheriff's office, jail or detention facility. Political subdivisions also will continue to remain immune from liability in a civil action for any injury, death, or loss to person or property that allegedly was caused by or related to a licensee bringing a handgun onto any premises or property owned, leased, or otherwise under the control of the political subdivision.

For additional information regarding this matter, contact John Leutz of the CCAO staff at jleutz@ccao.org.

Property tax exemption bill heads to governor following adoption of numerous amendments in committee

Legislation ([SB 235](#)) to permit local governments to exempt from property taxation the increased value of property on which industrial or commercial development is planned for up to 6 years cleared the House Finance Committee, passed the Ohio House 81-9 and was concurred upon by the Ohio Senate 29-2 before being sent to Governor Kasich for his consideration.

Prior to its passage the House Finance Committee had adopted a substitute bill on December 1 which made the following changes to the Senate passed version of the bill:

- **Local control** – permits county commissioners and township trustees in the unincorporated area of the county and municipal legislative authority in the incorporated area to approve property tax exemptions on parcels within their respective areas.
- **Length of exemption** – reduces the maximum length of an exemption from 10 to 6 years. Issuance of an occupancy permit, commencement of commercial or industrial operations, transfer of property, or a change in zoning that occurs in less than six years would shorten the length of the exemption.

- **County agricultural use valuation (CAUV) and recoupment** – prohibits parcels with agricultural operations from being eligible for an exemption under the bill and also requires recoupment of the last 3 years of a parcel’s tax savings if commercial, agricultural or industrial operations are conducted on the parcel prior to the issuance of an occupancy permit.
- **Delinquent payment of taxes and assessments on a parcel disqualify that parcel from an exemption** – county treasurer will be required to issue a certificate stating no outstanding property taxes, assessments, penalties or charges are due on the parcel on the date the certificate is issued.
- **Un-zoned areas may use the provisions of SB 235** – the prior version required that commercial or industrial zoning be in place prior to the use of exemptions under the bill. The amended bill would prohibit use of exemptions only in cases where the underlying zoning does not permit commercial or industrial operations.

During the week of December 5, the Finance Committee adopted several additional amendments including two amendments that further clarified the property tax exemption provisions of SB 235. Those amendments include:

- **TIF districts** - if an application for a property tax exemption is within an existing Tax Increment Financing (TIF) district, then the application must be submitted for consideration to the county, municipal corporation or township that created the TIF district.
- **Notification of school districts, counties and townships** - before approving a property tax exemption, the legislative authority of the county, municipality or township must notify all existing school districts affected by the exemption. Furthermore, if the parcel is in the unincorporated area, either the township or the county must notify the other party (county or township) of their intent to adopt a resolution prior to taking action on the resolution.

Earlier this week CCAO staffer Brad Cole submitted written [testimony](#) on behalf of a coalition of 9 local government groups including CCAO to the House Finance Committee expressing support and appreciation for the changes made to the bill by the committee.

During House Finance deliberations SB 235 became a popular vehicle for other amendments looking for a home. Approximately 24 separate amendments were adopted by the committee including a compromise stopgap plan to shore up the state’s unemployment compensation fund agreed to at the last minute, a severability clause to protect from single subject lawsuits, and an amendment deleting an appropriation from the bill. The latter amendment was added to eliminate the governor’s option for line-item vetoes. For more on the unemployment compensation fund, please see the separate story in this issue of the Statehouse Report.

SB 235 now goes to the governor for his consideration. For additional information regarding this bill, contact Brad Cole or Cheryl Subler of the CCAO staff at bcole@ccao.org or csubler@ccao.org respectively.

Roth proposal heads to governor for approval

Legislation to allow deferred compensation programs, including the one sponsored by the County Commissioners Association of Ohio (CCAO), to offer a Roth product to their members is headed to the Governor's desk for action. Senate Bill 220, sponsored by Senator Jay Hottinger, would allow deferred compensation programs to accept "post-tax" contributions, as opposed to only pre-tax dollars. The legislation is supported by CCAO as well as the Ohio Deferred Compensation Program.

If you would like additional information, please contact CCAO Staffers Suzanne Dulaney or Cheryl Subler at 614-221-5627 or at sdulaney@ccao.org or at csubler@ccao.org.

County charter proposals

An amendment included in HB 463 will give local boards of elections and the Secretary of State the power to enforce state law and the Ohio Constitution through the authority to reject a local initiative petition if it proposes to enact a charter amendment, ordinance, or regulation that falls outside the scope of a local government's constitutional authority.

For counties current ORC Sections 307.94 and 307.95 are amended to require the board of elections to determine whether a proposed county charter or charter amendment initiated under these sections, if adopted, would convey power to the county which exceeds the powers granted to counties by the legislature or would be inconsistent with the Ohio Constitution's provisions regarding the adoption of county charters. The county board of election's decision may be appealed to the Secretary of State.

The amendment is designed to uniformly apply the Ohio Supreme Court ruling in *Norwood vs. Hamilton County Board of Elections* to all methods of proposing local ballot initiatives. In that case the Supreme Court ruled that the Hamilton County Board of Elections was authorized to reject a proposed city ordinance because the ordinance attempted to "enact provisions that are beyond the scope of a municipality's authority to enact."

For additional information regarding this matter, contact John Leutz of the CCAO staff at jleutz@ccao.org.

Indigent defense reimbursement

CCAO worked with Rep. Kirk Schuring to attempt to secure an amendment that would have re-appropriated the \$913,000 of the death penalty earmark contained within the indigent defense reimbursement line item of the budget that went unspent and consequently lapsed from FY 2016 to be used for general reimbursement. Unfortunately, due to declining state revenues, the "bean counters" informed Rep. Schuring that, although the money had, indeed, lapsed, it had been reallocated to provide revenue to cover other current appropriations. Rep. Schuring remains committed to help address the indigent defense reimbursement funding issue in the next state budget. For additional information regarding this matter, contact John Leutz of the CCAO staff at jleutz@ccao.org.

Change to Regional Child Abuse Prevention Councils

An amendment added to [HB 463](#) on the last day of session may impact appointments to Ohio's regional child abuse prevention councils. The language in the amendment states that no member of the council shall participate in matters of the council pertaining to their own interests, including applications for funding by an entity where the council member serves as either a board member or employee.

The makeup of the councils includes two appointments per county by the Board of County Commissioners, with the remaining members being appointed by the Ohio Children's Trust Fund. CCAO provided information about the creation of the councils in this [Counties Current](#) newsletter article.

Many counties call on their Family and Children First Council (FCFC) or Jobs and Family Services (JFS) Directors to serve on the Regional Child Abuse Prevention Council because they have extensive knowledge of the systems and services available to children in their county. The Ohio Ethics Commission released an opinion in November that said representatives from county FCFCs or JFS departments may serve on the regional councils, stating "a public official who serves another public agency in her "official capacity" is not required to recuse herself from consideration of a grant that might benefit that public agency."

This new development could negatively affect the ability for them to serve on the regional councils, and in a county where providers and other partners are limited, may narrow the pool for commissioner's appointments.

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

County Home Amendment

An amendment added to [HB 290](#) sponsored by Reps. Robert Sprague and Marlene Anielski, passed during a flurry of lame duck activity this week. The amendment applies to county homes who contract with a private company to provide their superintendent/administrator, but keep the home employees as county employees.

Prior to the change, the law stated that the appointing authority for county home employees was granted only to the superintendent who also had to be a county employee. Now, if a county contracts with a superintendent to help them manage their home, the commissioners are granted the appointing authority for those employees.



Rep. Anielski



Rep. Sprague

If you have questions on this change please contact CCAO staffer Kate Neithammer at kneithammer@ccao.org.

Big unemployment comp reform saved for another day

Business, labor and the legislature reached an agreement to slow down big reforms to the unemployment compensation system that aimed at bringing solvency to the fund. The plan, which was amended into [SB 235](#):



Rep. Schuring

- Places a freeze on benefits for two years beginning in 2018
- Increases the taxable wage base for employers from \$9000 to \$9500 during the same timeframe
- Repeals a measure passed as part of [HB 390](#) that would have increased taxes for businesses if the state is forced to borrow funds from the federal government to cover unemployment costs.

Though the original goal was to pass a more comprehensive bill during lame duck that would put Ohio on the road to solvency, legislators seem confident that the compromise will lead to that end. The agreement calls for a plan to address the solvency issue by April 1, 2017.

Rep. Kirk Schuring, who sponsored the bill ([HB 620](#)) that lawmakers had hoped to pass in lame duck, said the compromise is a positive step, stating "I think it makes for a much better atmosphere to move forward".

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

Energy mandates bill modified before going to governor

Lawmakers passed legislation, [HB 554](#), to resume the state's frozen energy standards as goals for two years, rather than the initial proposal of three years. The measure, sponsored by Representative Ron Amstutz, initially called for a three-year goal period, but the Senate Committee, which narrowly reported the bill 6-5, modified that in an effort to land votes and to curry favor with Mr. Kasich, who has signaled his discontent with a goal-based approach. Whether the governor will sign the bill or follow through on his veto threat remains an open question, but the vote margins in both chambers suggest each may lack the required three-fifths majority to override a veto.

Other amendments adopted unanimously by the Senate committee [include](#):

- Modifying the percentage of federal funds to be deposited to the credit of the Home Energy Assistance Block Grant Fund to 25%.
- Requiring the chairman of the Public Utilities Commission of Ohio to testify in person before the committee annually no later than Sept. 1 to discuss utility compliance.
- Ensuring the PUCO recognizes energy efficiency savings and peak demand reductions occurring from consumer reductions in water usage or improvements in wastewater treatment, nonelectric energy efficiency savings or nonelectric peak demand reductions occurring from the portfolio plan. The commission must also recognize savings and

reductions associated with heat rate improvements in certain circumstances, though those savings would not qualify for shared savings.

- Permitting utilities to bank energy efficiency savings or peak demand reduction amounts in excess of the standards. The added language states the utility will be eligible for incentives approved by the PUCO in years in which actual cumulative efficiency and reduction savings meet or exceed the cumulative mandates.

"This bill is not a freeze," said Senator Bill Seitz. "It falls far short of what Chairman Balderson and I would have done given our own devices. It says we're going to pursue a goals based approach. Will that work? Absolutely."

However, not all agreed with that perspective. Senator Hite who voted against the measure said, "Without requirements we are not going to improve the way we need to improve in this state. We're just coasting. And as I used to tell my team, the only way to coast is downhill."

Senator Frank LaRose said that although the bill represents great work and important public policy provisions, "we're going to fall short on this one. We're not going to solve the problem." He said he views the two-year goal phase as an extension of the freeze and expressed concerns Gov. Kasich will follow through on the veto threat. "In effect what we are doing is we're sacrificing good public policy...because we want to continue this freeze for the period of two more years because we failed to get the work done to adjust (Senate Bill) 221 the way we wanted to do," he said.

For more information about [HB 554](#), please feel free to contact CCAO Policy Analyst Brian Mead at 614-221-5627 or at bmead@ccao.org.

Hearing Schedule



THURSDAY, DECEMBER 15

[Joint Education Oversight Committee](#)

(Chr. [Hite, C.](#), [\(614\) 466-8150](tel:6144668150)), South Hearing Rm., 9:00 am

Presentation of Transportation Report by Lauren Monowar-Jones

Presentation on Teacher Preparation Program in Southeast Ohio by Rob Radway, Coordinator, Southeast Ohio Teacher Development Collaborative, Dean Renee Middleton, Ohio University, Dean Pail Madden, Shawnee State University, Dean Dottie Erb, Marietta College, Dean Rae White, Muskingum University and Dean Diane Downard, University of Rio Grande

Joint Medicaid Oversight Committee

(Chr. [Burke, D.](#), [\(614\) 466-1731](#)), Senate Finance Hearing Rm, 10:00 am

Behavioral Health Redesign Quarterly Update from John McCarthy, Director, Ohio Department of Medicaid and Tracy Plouck, Director, Ohio Department of Mental Health and Addiction Services

Planning for Implementation: Community Behavioral Health Services in Medicaid Managed Care by Jeff Corzine, OAHF Behavioral Health Committee