



---

# 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](http://www.ccao.org)

---

April 4, 2014

## **\$2.4 billion capital bill becomes law**



The legislature finalized work Tuesday on the \$2.4 billion capital appropriations measure for the 2015-2016 fiscal biennium, and Governor Kasich's signature was applied later in the evening.

[HB 497](#) appropriates: \$675 million for local school construction projects; \$574.3 million for maintenance and renovations at state-owned facilities; and \$454.5 million for Ohio's public colleges and universities; \$369 million for local infrastructure projects; \$100 million for the Clean Ohio program; and \$160 million for "community projects." It was the first time in six years that local projects were included in the capital measure.

The Legislative Service Commission has additional information about the [measure](#) on its web site.

## **Local government funding draws MBR testimony**

Local government officials, firefighters, and police spoke out against past cuts to the Local Government Fund (LGF) along with other revenue streams at a press conference Tuesday as well as during testimony before the House Finance Committee's hearing on [HB 483](#), one of the many MBR bills.

The committee hearing was more tense than usual during remarks from P.G. Sittenfeld, a member of Cincinnati City Council, who decried the Local Government Funding cuts made in Governor Kasich's first budget proposal, saying they translated to fewer police officers and firefighters on the streets. Republican committee members suggested other factors had played into Cincinnati's own budget struggles, while Sittenfeld criticized the state's claim of a surplus, saying it accrued by raiding local coffers.

Committee members heard a contrasting view from Michael Fox, a city councilman from Pataskala, who advocated eliminating the Local Government Fund entirely to enable further tax cuts and avoid the need to have the state collect money in local communities and then send it back. He said the current system and formula for distributing the money to counties is outdated.

Furthermore, the Ohio Library Council requested support for an amendment to HB 483 that would increase the Public Library Fund (PLF) percentage from 1.66% to 2.00% of the state's general revenue fund. The PLF is funded in the same fashion as the Local Government Fund.

In addition, the Public Children Services Association of Ohio and the Ohio Job and Family Services Directors' Association (OJFSDA) provided testimony seeking additional state investment for abused and neglected children. OJFSDA also lent support for more Adult Protective Services (APS). "Funding for APS is always a major concern for counties and has a crippling effect on both the existing APS program..." according to Joel Potts, Executive Director of OJFSDA. "The State currently invests only \$500,000 statewide for the administration and services for APS; with 50 counties receiving less than \$2,000 annually to investigate and serve abused and neglected seniors. County governments invest nearly \$20 million annually to augment this mandated program. The lack of state support for child welfare and APS has left counties in an unenviable position of pitting children services against senior services."

[HB 483](#) is expected to move thru the House Finance Committee, with possible amendments, early next week, prior to the Legislature going on spring break.

The House Finance Committee also is scheduled to possibly vote on [HB 369](#), which would redirect certain funds appropriated to the County Behavioral Health Boards in the biennial state budget bill ([HB 59](#)) last year. The legislation also would establish requirements for boards of alcohol, drug addiction, and mental health services regarding treatment services for opioid addiction. The bill has been the focus of much debate between the bill sponsor, Rep Sprague, the Behavioral Health Association, and the Administration, which have had varying views on how funds that were appropriated last year for the Boards should be spent as well as how to prioritize Ohio's drug problems. The CCAO Health & Human Service Committee will be meeting on Tuesday, April 15 to hear presentations from the sponsor, county boards, and the administration regarding the bill and to discuss the proposal.

## House revises land bank and foreclosure laws to facilitate neighborhood revitalization

Revitalizing neighborhoods wracked by abandoned, blighted homes was a key theme Wednesday in the House, where members passed two measures aimed at the issue.

[SB 170](#) (Sen. Tom Patton, R-Strongsville) seeks to streamline and improve the process of turning around abandoned properties. Blighted properties are a serious issue, especially for urban areas of the state. The bill updates and revises laws governing county land banks, or land reutilization programs, and includes dozens of updates recommended by the entities that affect the programs and also modifies non-judicial tax foreclosure proceedings. The goal of the legislation is to bring clarification and consistency to the processes and reduce time and costs associated with acquiring land for land banks.



[HB 223](#) (Reps. Cheryl Grossman, R-Grove City, and Mike Curtin, D-Marble Cliff) is designed to speed up the process by which abandoned properties are transferred through sheriff sales. Both legislators agreed that the current foreclosure process is not working. The bill creates a five-year pilot program in Cuyahoga, Franklin and Lucas counties based on recommendations from the Cleveland Federal Reserve. The recommendations include new procedures for cities to take

actions in cleaning up blighted neighborhoods, in part through adjustments to the sheriff sale process involving "zombie properties." According to Curtin, the current foreclosure and sale process for such properties can take up to two years. Rep. Grossman noted that run-down, vacant homes can drive people out of communities, and lead to vandalism and other crimes and that the changes would prudently update procedures and timelines for foreclosure actions and sheriff sales. The bill has widespread support from various stakeholder groups and should produce dramatic and positive results for the community, according to the sponsors.

## Renewable energy quotas headed for a “freeze”

The Senate Republicans' new plan to freeze Ohio's green energy law started its journey through the legislature this week. Sen. Troy Balderson (R-Zanesville), sponsor of [SB 310](#), told members of the Senate Public Utilities Committee that the bill would hold renewable and energy efficiency requirements at their 2014 levels and would prevent electricity bills from continuing to rise.

The bill also garnered the support of House Speaker Bill Batchelder (R-Medina) who noted that he expected the House to pass it quickly after two or three hearings. "I don't know any reason why we wouldn't," he told reporters during a post House floor session interview. Batchelder said he was wary of the clean energy standards when they were first enacted and thinks there are very good reasons why the Legislature ought to be taking a very close look at the law because of its potential impact upon consumer electrical costs. He noted particular concern for its effects upon the elderly and others who are not in a position to pay a lot of money every month on an electric bill.

Senate Public Utilities Committee Chairman Sen. Bill Seitz (R-Cincinnati), who held extensive hearings on [SB 58](#), his proposal that would have made it easier for utilities to comply with the increasing renewable and energy efficiency standards, said he was satisfied with [SB 310](#) and planned to have two separate committee hearings on the bill next week and hoped to vote it out of committee when the legislature returns from spring recess.

Current law requires a portion of utilities' total electricity load to be generated by renewable sources, like wind and solar, with annual benchmarks that ratchet higher each year until reaching 12.5% by 2025. The law also calls for utilities to help reduce overall electricity consumption in increasing increments to reach 22% by 2025 through energy efficiency programs, which are paid for by riders on customers' bills.



[SB 310](#) would keep the renewable energy requirement at the current level of 2.5% of all the kilowatt hours of electricity sold by a utility, with 0.12% of that coming from solar energy resources and at least half of the total coming from facilities within the state. Ohio utilities would also be required to continue to achieving the current energy efficiency savings of 4.2% of the baseline level.

Another provision requires the Public Utilities Commission of Ohio (PUCO) to adopt rules by January 1, 2015 outlining how the companies will disclose the costs of the standards on customers' utility bills. Designed for transparency, the rules should clearly show Ohio ratepayers how much they are being individually charged on a monthly basis for each requirement.

The legislation would give utilities the option of maintaining their current energy efficiency plans or asking the PUCO to approve amendments. If a utility continues its current plan, the PUCO must extend it through 2016 and the company would be subject to energy efficiency and peak demand reduction requirements as they currently exist in law today, he said. If the plan is amended, industrial customers that implement their own energy efficiency programs could opt-out of the program. The bill would also codify the PUCO's methodology for determining compliance with the 3% cost cap in the law, which effectively exempts utilities from the renewable energy requirement if it would increase customers' cost by 3% or more.

A 21-member Energy Mandates Study Committee consisting of representatives from various interest groups affected by the requirements would be tasked with conducting a cost-benefit analysis on the effects of maintaining the standards in current law versus the 2014 levels going forward. Balderson noted, "The lack of consistent evidence-based results regarding the effects of these existing standards has caused great uncertainty for all of the parties involved.



The bill is criticized as amounting to a repeal of the state's clean energy law and as a result would become a deterrent to the future development of wind power in the state. In addition to the two commercial scale wind farms already operating in the state, the Ohio Power Siting Board has certified eight more projects to begin construction. The American Wind Energy Association has warned that the planned wind farm developments won't move forward if the renewable requirements are reduced. The energy efficiency companies predict the measure will drive the energy efficiency industry out of Ohio. The Industrial Energy Users-Ohio, on the other hand, is pleased that the bill would ensure that large electricity customers won't continue paying higher costs as

the standards ratchet higher and that it is important for the General Assembly to adopt reform as quickly as possible.

## **Casino commission director concerned over proliferation of skilled games**

A vast majority of the former Internet cafes that were put out of business by [HB 7](#) (Huffman, R-Lima) have rebranded themselves as skilled game parlors and reopened, the executive director of the Ohio Casino Control Commission told a House committee Tuesday.

The House Policy and Legislative Oversight Committee is hearing [HB 491](#) (Buchy-Blessing III), which would make changes to Ohio's gaming laws including giving the casino commission more enforcement tools to enforce the skilled gaming law.

Matt Schuler, executive director of the commission, told the committee that [HB 519](#) of the 128th General Assembly gave the commission authority over skilled games, but did not include additional language over how that is to be accomplished.

He said skilled-based amusement machines are traditionally those found at the fair, amusement park midways and family-fun centers and include games such as Skee-ball and Whac-a-Mole, but those have taken on a new sophistication and resemble slot machines.

"Subsequent to the passage of [HB 7](#) last year, we have seen Internet sweepstakes locations rebrand themselves as skill-based game establishments. Further, we have evidence that these

establishments are operating schemes of chance and/or are paying cash prizes. Today, we are uncertain how widespread this is,” Schuler said in his testimony.

Schuler said the bill:

- Requires licensing of skill-based amusement machine operators, gaming-related vendors and the principal key employees.
- Establishes standards for licensure consistent with current law.
- Requires the commission to establish compliance standards governing supplies, devices and equipment used in skill-based operations; maintenance of financial records; computation and recording of compensation and winnings; and standards for accounting and auditing.
- Makes clear that the commission's authority with regard to the detection, investigation and apprehension and arrest of persons committing gaming violations or gambling offenses extends to the operations of skill-based amusement machines; and makes the penalty for operating a gambling house consistent with other gambling offenses in the Casino Control Law (crimes inside a casino, cheating, conducting illegal casino gaming, etc.). Under current law, the penalty for those crimes is a felony of the fifth degree.

## Statehouse Etcetera



### **New removal process for local officials passes Ohio Senate.**

The Senate voted 32-0 to support a measure ([SB 6](#)) creating a new process that could lead to the removal of local government fiscal officers. Sponsored by Senator Schaffer (R-Lancaster), [SB 6](#) creates a way for those officials to be removed from office, but also retains their due process rights. The measure heads to the Ohio House for consideration.



**Workforce development MBR earns support.** John Trott, Executive Director of the Area 7 Workforce Investment Board, stated in his proponent testimony that the proposed provisions in House Bill 486 (Baker and Stebelton) provide the basic strategic structure necessary to drive performance in Ohio’s workforce system. It contains two key recommendations: The first is the provision to develop one integrated state plan for Workforce Investment Act services, Carl Perkins career technical programs, and the Adult Basic Literacy Education (ABLE) program. The second is a provision to develop system-wide workforce performance metrics and a public dashboard to evaluate what is working well and what needs to be improved. Trott said, “By developing aligned goals, common expectations, and consistent measures, described in the provisions of House Bill 486, the activity of workforce in Ohio can be focused on businesses and jobseekers, not bureaucracy and policy. You’ve heard the saying, ‘You can’t manage what you don’t measure.’ By promoting clear, understandable performance metrics that are relevant across all of Ohio’s workforce partners, we can focus on common goals and have the information needed to drive better performance.” [HB 486](#) is scheduled for a possible vote this week in the House Economic Development & Regulatory Reform Committee.



**Proposed office of human services innovation.** The human services MBR — [HB 485](#) (Smith and Johnson), would establish the Office of Human Services Innovation in the Department of Job and Family Services, and requires this new office to make recommendations to the Governor which:



- Coordinate services across all public assistance programs to help individuals find employment, succeed at work and stay out of poverty.
- Revise incentives for public assistance programs to foster person-centered case management.
- Standardize and automate eligibility determination policies and processes for public assistance programs.

“County agencies are glad to see the concerted effort of the legislation focusing on poverty reduction and employment, said Joel Potts, Executive Director of the Ohio Job and Family Services Directors Association (OJFSDA), before the House Health and Aging Committee. “We know that children raised in poverty are more likely to drop out of school, become teen parents, have mental health problems, be victims of crime and more likely to live in poverty as adults. The most likely way individuals will get out of poverty is through work. And there is a tremendous amount government can do to support work and provide economic opportunities to the residents of the state.” The bill is scheduled for a possible committee vote next week.

**Public transit system franchising legislation.** Sponsor testimony and proponent testimony in the Ohio House State & Local Government Committee were presented on a measure to allow a board of county commissioners, on behalf of a county transit board, to award a franchise for the operation of a public transit system. [HB 500](#), sponsored by Rep Young (R-LeRoy Township), was favored by Robert Faulkner of the Trumbull County Transit Board, and Terry Thomas of Community Bus Services — both who operate transit services in Trumbull County. They said that many other counties already are interested in the idea of franchising a transit company. A public-private partnership, the pair asserted, would provide both the county and the company the assurance necessary to provide adequate service. For additional information, contact CCAO Staffer Brad Cole at [bcole@ccao.org](mailto:bcole@ccao.org).



## Legislation of Interest



**[SB 312](#) SECURITY GRANTS** ([Jones, S.](#), [LaRose, F.](#)) To require the Facilities Construction Commission to establish a school security grant program for nonpublic schools and certain local law enforcement agencies and to make an appropriation.

**[SB 313](#) DRUG OVERDOSES** ([Kearney, E.](#)) To provide a qualified immunity from arrest, prosecution, conviction, penalizing, and supervised release sanctioning for a minor drug possession offense or a drug paraphernalia possession or use offense for a person who seeks assistance for self or another person who is experiencing an emergency drug overdose. Am. 2925.11, 2925.12, 2925.14, and 2925.141 and to enact section 2925.142

- SB 320 UNIFORM PURCHASES** ([Tavares, C.](#)) To require state agencies to purchase only uniforms and other apparel items that are made with American textiles, materials, and supplies. Am. 9.318
- SB 322 CHURCH DAY CARE** ([Tavares, C.](#)) To exempt church day-care centers from property taxation, provided the day-care center does not produce over \$30,000 in income for the church per year. Am. 5709.07
- HB 510 CAT RATE** ([Brenner, A.](#)) To reduce the commercial activity tax (CAT) rate and minimum payment amounts and to reduce the proportion of CAT revenue allocated to the general revenue fund. Am. 5751.03 and 5751.20 and to enact section 5751.031
- HB 514 BALLOT ORDER** ([Letson, T.](#)) To place the office of chief justice of the supreme court and justice of the supreme court first and second, respectively, in order on the nonpartisan ballot. Am. 3505.04

## Upcoming Legislative Committee Calendar



### Monday, April 7

**House Finance & Appropriations, (Chr. Amstutz, R., 466-1474), Rm. 313, 10:00 am**

- HB 369** ■ **MEDICAID COVERAGE** ([Sprague, R.](#)) To require the Medicaid program and health insurers to cover certain services for recipients with opioid addictions; to establish requirements for boards of alcohol, drug addiction, and mental health services regarding treatment services for opioid addiction to help defray payroll costs associated with a court's employment of drug court case managers; to provide a state share of the capital costs of recovery housing projects; and to make appropriations. **--4th Hearing-Possible amendments, substitute & vote**
- HB 483** ■ **MBR APPROPRIATIONS** ([Amstutz, R.](#)) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. **--6th Hearing-Possible amendments, substitute & vote**

### Tuesday, April 8

**House Finance & Appropriations, (Chr. Amstutz, R., 466-1474), Rm. 313, 9:00 am**

- HB 369** ■ **MEDICAID COVERAGE** ([Sprague, R.](#)) To require the Medicaid program and health insurers to cover certain services for recipients with opioid addictions; to establish requirements for boards of alcohol, drug addiction, and mental health services regarding treatment services for opioid addiction to help defray payroll costs associated with a court's employment of drug court case managers; to provide a state share of the capital costs of recovery housing projects; and to make appropriations. **--5th Hearing-Possible amendments, substitute & vote**
- HB 483** ■ **MBR APPROPRIATIONS** ([Amstutz, R.](#)) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. **--7th Hearing-Possible amendments, substitute & vote**

**House Agriculture & Natural Resources, (Chr. Hall, D., 466-2994), Rm. 116, 10:00 am**

- HB 490** ■ **MBR ENVIRONMENT** ([Hall, D.](#), [Thompson, A.](#)) To revise certain laws governing agriculture, natural resources, and environmental protection. **--2nd Hearing**

**House Insurance, (Chr. Hackett, B., 466-1470), Rm. 121, 10:00 am**

- HB 493** ■ **MBR WORKERS' COMPENSATION** ([Sears, B.](#), [Henne, M.](#)) To make changes to Ohio's Workers' Compensation Law and to make an appropriation. **--3rd Hearing-Possible amendments & vote**

[HB 71](#) ■ **INSURANCE VERIFICATION** ([Roegner, K.](#)) To require the Registrar of Motor Vehicles to establish an electronic motor vehicle insurance verification system, to require an insurance company to notify the Registrar upon the cancellation or lapse of a motor vehicle liability insurance policy, to eliminate the financial responsibility random verification program of the Bureau of Motor Vehicles and to make other changes in the procedures for verifying proof of financial responsibility regarding a motor vehicle. --2nd Hearing-Proponent

House Economic Development & Regulatory Reform, (Chr. Baker, N., 466-0961), Rm. 114, 11:00 am

[HB 486](#) ■ **MBR WORKFORCE** ([Baker, N.](#), [Stebelton, G.](#)) To establish the adult career opportunity pilot program; to revise the coordination of workforce development and economic development programs; to synchronize the due dates of several reports due from the Development Services Agency, the Ohio Venture Capital Authority and the Third Frontier Commission; to revise the law regarding innovation financial assistance and research and development financial assistance; and to permit the Director of Commerce, the State Fire Marshal, and the Ohio Construction Industry Licensing Board to establish compliance incentive programs. --3rd Hearing-All testimony-Possible amendments & vote

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 pm

Senate Finance, (Chr. Oelslager, S., 466-0626), Finance Hearing Rm., 2:30 pm

[HB 85](#) ■ **HOMESTEAD EXEMPTION** ([Terhar, L.](#), [Gonzales, A.](#)) To enhance the homestead exemption for military veterans who are 100% disabled from a service-connected disability. --1st Hearing-Sponsor

[SB 287](#) ■ **DEPOSITORY ACT** ([Hughes, J.](#)) To modify authorized investments of interim moneys and inactive moneys under the Uniform Depository Act. --2nd Hearing-Proponent

[HB 289](#) ■ **DEVELOPMENT ZONES** ([Schuring, K.](#)) To terminate the authority to create new or substantially modified joint economic development zones (JEDZ), to require the creation of review councils to approve and to evaluate the progress of JEDZ development plans, and to authorize businesses and their employees to bring a civil action seeking termination of the JEDZ contract or income tax if the council finds that the development plan is not being complied with. --3rd Hearing-All testimony

House State & Local Government, (Chr. Blair, T., 466-6504), Rm. 121, 3:00 pm

[HB 426](#) ■ **INSPECTOR GENERAL** ([Barborak, N.](#), [Pillich, C.](#)) To prohibit an appointing authority from taking disciplinary action against public employees who report a noncriminal law violation or misuse of public resources to the Inspector General. --1st Hearing-Sponsor

[HB 439](#) ■ **WHISTLEBLOWERS** ([Dovilla, M.](#), [Hayes, B.](#)) To prohibit an appointing authority from taking disciplinary action against certain public employees who report a noncriminal law violation or misuse of public resources to the Inspector General. --1st Hearing-Sponsor

[HB 489](#) ■ **MBR DAS** ([Blair, T.](#)) To modify the Department of Administrative Services' lease-purchase agreement process, to grant the Department the same authority for lease-leaseback agreements, and to require those agreements to be awarded through a request for proposals process. --2nd Hearing-Proponent

[HB 494](#) ■ **TRANSPORTATION PROJECTS** ([Schuring, K.](#)) To authorize counties to undertake regional transportation improvement projects funded by the issuance of securities and by revenue pledges from the state and political subdivisions and taxing districts located within the cooperating counties. --2nd Hearing-Proponent

[HB 321](#) ■ **GOVERNMENT RECORDS** ([Duffey, M.](#), [Hagan, C.](#)) To create the DataOhio Board, and to specify requirements for posting public records online. --3rd Hearing-All testimony-Possible amendments



- [HB 322](#) ■ **UNIFORM ACCOUNTING** ([Duffey, M.](#), [Hagan, C.](#)) To require the Auditor of State to adopt rules regarding a uniform accounting system for public offices. --3rd Hearing-All testimony-Possible amendments
- [HB 323](#) ■ **PUBLIC DATA** ([Duffey, M.](#), [Hagan, C.](#)) To establish an online catalog of public data at data.Ohio.gov. --3rd Hearing-All testimony-Possible amendments
- [HB 324](#) ■ **LOCAL GOVERNMENT INFORMATION** ([Duffey, M.](#)) To establish the Local Government Information Exchange Grant Program and to make an appropriation. --3rd Hearing-All testimony-Possible amendments

## Wednesday, April 9

---

House Health & Aging, (Chr. [Wachtmann, L.](#), 466-3760), Rm. 116, 9:30 am

- [HB 265](#) ■ **PARKING SPACES** ([Stinziano, M.](#), [Grossman, C.](#)) To alter the designation of special parking locations for persons who have a disability that limits or impairs the ability to walk by designating such locations as "accessible parking spaces" or "disability parking spaces." --4th Hearing-All testimony-Possible amendments & vote
- [HB 485](#) ■ **MBR HUMAN SERVICES** ([Smith, R.](#), [Johnson, T.](#)) To establish the Office of Human Services Innovation in the Department of Job and Family Services. --4th Hearing-All testimony-Possible amendments, substitute & vote

House Session, (Chr. [Batchelder, B.](#), 466-3357), House Chamber, 1:30 pm