



STATEHOUSE REPORT

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Money part of the MBR clears House

The House on Wednesday passed [HB 483](#), the appropriations component of the governor's MBR package, after incorporating a considerable number of amendments in the House Finance and Appropriations Committee.

During Committee deliberations an amendment offered by the House Democrats was tabled that would have restored local government funding by increasing the percentage of state general fund receipts going the Local Government Fund up from the current 1.66% to 3.68%.



Significant debate was also sparked over a provision amended in, and then out, of the bill regarding absentee ballots which would have cut local government funds by 10% to counties that ignore the state's mailing guidelines for absentee ballots (see separate story).

Notable provisions of interest to counties in the bill include:

- Drastically revising the use of ODMHAS's \$47.5 million appropriation for FY 2015 to GRF line item 335507, Community Behavioral Health by repealing current law that requires \$30 million to be allocated to ADAMHS boards for community mental health services and \$17.5 million to be allocated to ADAMHS boards for community addiction services, including medication, treatment programs, and counseling and reallocating the funding to other purposes (see page 81 of the [comparison document](#)) and incorporating all of the provisions of HB 369, which also passed the House on Wednesday, into HB 483.
- Providing an additional \$10 million in FY'15 for 600-523, Family & Children Services.
- Creating the Workforce Training Pilot Program for the Economically Disadvantaged and provides \$3 million in FY'15 for this purpose.
- Clarifying existing law to make it clear that a political subdivision can use tax increment financing revenue to fund the provision of gas or electric services through privately owned facilities.

- Allowing up to \$3.0 million in FY 2015 from Fund 5460 appropriation item 800639, Fire Department Grants, to be used for grants to eligible entities to purchase fire department communication systems, equipment, and services that are integrated into or otherwise interoperable with the Multi-Agency Radio Communication System (MARCS).
- Creating the Economic Gardening Technical Assistance Pilot Program under the Development Services Agency to provide eligible businesses with technical assistance related to market research, marketing, and the development of connections with other businesses and resource providers and appropriating \$500,000 to fund the pilot in FY 2015.
- Permitting County Boards of Developmental Disabilities to share employees.
- Permitting Stark County to use revenues from an existing lodging tax to finance projects to maintain or improve the stadium adjacent to the Pro Football Hall of Fame in Canton.
- Allowing the Allen County Commissioners to levy an up to 3% lodging tax for the support of a veteran's memorial.

The major provisions of the bill are summarized in the [comparison document](#).

Multitude of MBR pieces clear House

[HB 493](#) - the MBR review containing workers' compensation issues: The central provision of the legislation deals with the Kasich administration's plan to essentially grant Ohio employers a six-month reprieve on their workers' compensation costs while the bureau shifts from a retrospective to a prospective billing system. While the biennial budget (HB 59) granted the Bureau of Workers' Compensation initial approval to make the transition, the MBR adds greater detail to the plan, which will grant employers a \$1.2 billion credit when the shift takes effect in early 2015 for private employers and 2016 for public employers, according to the BWC.

[HB 492](#) - the MBR dealing with tax administration language: The legislation contains several mostly technical administrative changes and would ease some restrictions on certain tax incentive programs. In the former category are provisions that would: transfer the duty of administering cigarette tax stamps from the state treasurer to the tax commissioner; authorize the Department of Taxation to adopt rules requiring returns to be filed electronically or telephonically; and require the Public Utilities Commission of Ohio to provide a tax receipt for motor carriers' tax payments. Tax incentive revisions include: reducing the InvestOhio holding period from five to two years for investors to get a tax credit; eliminate a requirement for the Ohio Tax Credit Authority to approve a job creation or retention tax credit before municipalities can award a local version; give the state more flexibility to respond to situations where businesses don't fulfill the requirements of the Research & Development Loan program. The bill also contains a provision that would allow business owners that pay the sales tax and work out of their home to ask the tax commissioner to keep their addresses confidential. The measure resembles another bill designed to address concerns that making vendors' home addresses subject to the public records law presents a security risk ([HB 282](#)).

[HB 485](#) - The human services portion of the MBR: The measure cleared the House following an overhaul in committee earlier in the day. A substitute version would implement a pilot program for the State Medical Board to host teleconference committee meetings and authorize the collection of additional health information such as immunization records through the state's

automated prescription reporting system. Three previously approved opiate-related measures and a wilderness camp measure were also added to the substitute version. As amended, the measure would also create the Ohio Healthier Buckeye Council, a 12-member panel that would promote the creation of county councils with the aim of identifying, streamlining and bolstering programs that are effectively working to move Ohioans off of social services. The Council which would report to the Joint Medicaid Oversight Committee would have its own grant program supported by a \$4.2 million allocation that was added to the main MBR ([HB 483](#)) and is designed to help ensure that programs are actually working to change the status quo and lift people out of poverty.

CCAO offers interested party testimony on HB 494

[Testifying](#) as an interested party, Brad Cole, CCAO Managing Director of Research, appeared before the House Local Government Committee this week to offer initial comments regarding the provision of [HB 494](#). The bill would permit two or more boards of commissioners to undertake a regional transportation improvement project.



The key to the bill is that it would allow many of the various traditional funding sources for the financing of transportation projects to be utilized to finance the regional transportation improvement project. The bill also includes as a new financing option an additional motor vehicle license tax which the commissioners could adopt subject to approval by voters in all or part of each county entering into the cooperative agreement.

House Unanimously Passes Agricultural Fertilizer Law

With the hope of curbing algae blooms in Grand Lake St. Marys and Lake Erie, the House passed [SB150](#) and sent it to Governor John Kasich's desk for his signature.

Under the legislation, Ohio farmers who apply fertilizer to 50 or more acres will be required to attend fertilizer application training courses and be certified by the Department of Agriculture (ODA). The department already administers a similar certification system for pesticide applicators.

Farmers who develop, ODA approved, voluntary nutrient management plans (NMP), will be provided with affirmative defense should civil action taken against them. The bill also keeps confidential NMP information from being released to the public.



Charter county home rule authority asserted in Cuyahoga County absentee ballot application distribution legislation

The Cuyahoga County Council's consideration and adoption of the Cuyahoga County Voting Rights legislation lead to a provision being inserted into, and then removed from, HB 483, the appropriations part of the governors MBR proposals this week. The amendment to HB 483 would have cut local government funds by 10% to counties, such as Cuyahoga, that take action contrary to the state's mailing guidelines for absentee ballots.

Earlier this year, the Ohio General Assembly passed and Governor John Kasich signed into law legislation that bars county boards of elections from sending out vote-by-mail applications to voters. In effect, the new restriction requires the General Assembly to authorize funding for the Secretary of State to complete this task – leaving no alternative for distributing unsolicited vote-by-mail applications.

The Cuyahoga County Voting Rights legislation, introduced by County Executive Ed FitzGerald and adopted by the Council on Tuesday night, attempts to ensure all registered voters continue to receive vote-by-mail applications regardless of state government restrictions. The County Council adopted the legislation under the premise that the county’s home rule powers can be used to promote voter participation and retain the ability to send unsolicited ballot applications.

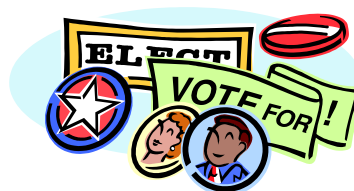
Both Governor Kasich and Secretary of State Jon Husted asked the House GOP leaders to remove the provision. Kasich even noted, “I just don’t think you use the local-government fund — it’s not there to be used like that. I just think it was not a well-conceived idea.”

The House Republicans relented and removed the provision noting that the State Auditor has the authority to require recovery of taxpayer money from county officials who mail absentee applications in violation of state law and citing a letter written in 2011 by State Auditor Dave Yost to that effect.

Super PAC restrictions for corporations could be eased

Corporations would no longer have to identify themselves in political ads or disclose money they spend in support of Ohio political candidates, under language quietly slipped into budget review legislation by House Republicans this week.

The provision, contained in [HB 483](#), could open the door to state-based Super PACs, political action committees that can spend unlimited amounts on behalf of political candidates. The amendment, which would scrap a three-year-old administrative rule and would further allow independent political spending by foreign-owned corporations and companies that recently received government contracts. Even if the measure passes direct contributions by corporations and unions to political campaigns in Ohio would still be prohibited. The administrative rule at issue, by contrast, restricts political spending made by corporations and unions independently of political candidates.



Then-Secretary of State Jennifer Brunner implemented the rule in January 2011 following the U.S. Supreme Court’s ruling in the *Citizens United* case that independent corporate and union political spending can’t be restricted. Under the rule, political ads bought by corporations, non-profits, and unions must include the name and address of an organization official and list the purchaser’s website. Companies and unions must then report such spending to the Ohio secretary of state’s office.

Erasing the rule would only lift such restrictions for corporations; state law would continue to require unions to report political spending and identify themselves in ads. In addition, the rule prohibits independent political spending by corporations who have received state or federal money within the past year, as well as companies that are at least 20-percent foreign-owned.

House Republicans suggested that eliminating Brunner's rule levels the playing field and that they do not believe that government should be stifling the First Amendment rights of anyone, which is why the amendment is being offered to rescind the rule. Brunner said in an interview that lifting her rule would make it easier for national political interests to run Super PACs in Ohio races, including the upcoming gubernatorial election. She suggested that repealing the rule may actually open the floodgates to state Super PACs. Legislative Republicans previously tried to eliminate the rule in 2012, when they passed HB 194. Lawmakers later repealed the bill to forestall a statewide referendum on the legislation.

Ohio Constitutional Modernization Commission panel discusses term limits

The Ohio Constitutional Modernization Commission's (OCMC) Legislative Branch & Executive Branch Committee heard from John Green, political science professor at the University of Akron's Bliss Institute, about the history of efforts to limit lawmakers' tenure in state legislatures and offered some suggestions about extending Ohio's term limits. Mr. Green noted that Ohio was part of a wave of 20 states that enacted term limits between 1990 and 1996, which he attributed to a national reaction to the gradual expansion of the executive branch of government and the professionalization of public service that occurred in the latter part of the 20th century. Between the years 1997 and 2012 only one more state enacted term limits, and they were repealed or struck down in courts in six other states, he said.

Currently there are 15 states with legislative restrictions, while 36 states have gubernatorial term limits. A 10-year old study by the National Conference of State Legislators, in which Mr. Green participated, found that term limits had the effect of adding uncertainty to the selection of legislative leaders and reducing their traditional roles of setting the agenda, gatekeeping and coalition building. Overall, term limits have diminished the role of legislatures in developing state policy and increased the influence of governors, administrative agencies, staff, and lobbyists, he said. With less time to spend building relationships and experience in office, there has also been an increase in partisanship and a reduction in civility, he added. Proponents had predicted term limits would encourage more "citizen legislators" in the mold of President Abraham Lincoln, Mr. Green said. "We really haven't seen very much of that at all. But what we have seen was the career paths of people in the legislature have changed," he added, pointing to the practice of switching between chambers and local government offices.

There also has been no decrease in the level of campaign spending and no increase in the overall competitiveness of elections, according to Green. Meanwhile, party caucuses have assumed a greater role in recruiting and financing candidates. Nonetheless, public support for term limits might continue to grow, he said, citing recent debate about revising the U.S. Constitution to impose limits on Congress and federal judges. However, he noted that a well-organized and concerted campaign to extend term limits might succeed in Ohio, but to convince voters to expand term limits would take a pretty major education campaign because of the American public's increasing skepticism about government. Green believes that combining a proposal to extend Ohio's term limits by four years with a redistricting overhaul could be more persuasive and allow proponents to show how the different pieces fit together to improve the electoral process. By putting a variety of items in a package it increases likelihood of it passing. Currently, voters in Florida and Arkansas are set to weigh in on ballot issues that would extend legislators' term limits in those states to 12 years according to Green.

Fred Mills, the committee chairman said that the committee will continue to hear testimony on the term limits issue and might hear from witnesses that campaigned for the 1992 constitutional amendment.

Constitutional Modernization Commission's committee looking at initiative petition process

A proposal to revamp the process through which Ohioans can change laws on their own was discussed by the Ohio Constitutional Modernization Commission's (OCMC) Constitutional Revisions & Updating Committee agreed unanimously to draft a recommendation regarding initiated laws that would decrease the number of counties where signatures must be collected from 44 to 22. The recommendation also suggests that if the initiated statute ends up on the ballot and is approved by voters, it would not be subject to changes or a repeal by the General Assembly for at least five years unless a two-thirds vote each chamber is achieved.

Introduced by Rep. Michael Curtin (D-Marble Cliff), the proposal was sparked by the committee's long-time aim to encourage the use of an initiated statute to get an issue in front of the state legislature rather than a constitutional amendment that goes straight to the ballot. To draw even more interest to initiated statutes, he also suggested increasing the standards for putting a constitutional amendment on the ballot, such as requiring petition signatures from a number equal to 15% of the electorate that voted in the previous gubernatorial election as opposed to the current 10%

During discussion several concepts for changes to the citizen initiated processes were offered up by various members of the committee. One suggestion was to require initiative petitions and proposed constitutional amendments to receive at least 55% of vote to approve them or require constitutional changes to appear on the ballot for two consecutive elections and be approved in both elections. Rep. Curtin opposed making changes pertaining to the voting process, saying "it would be a real tough sell for me, and more importantly, a real tough sell to the electorate." He also defended the state's current initiated statute process that requires proponents of an issue to collect a total number of signatures equal to 3% of the number of voters in the last gubernatorial election to get the proposal before the legislature. Then requiring proponents to collect the same amount of signatures a second time before the issue can be placed on the ballot allows them time to truly consider the viability of the issue, he said.

The need for sending the proponents back out to collect more signatures if the legislature doesn't take action or votes down the initiated statute was also discussed along with the possibility of competing constitutional amendments, which would allow the legislature to place its own amendment on the ballot next to a petition-driven amendment.

Statehouse Etcetera



Governor signs bills supported by CCAO. [SB 82](#) and [SB 155](#) were signed into law by Governor Kasich this week. [SB 82](#) authorizes a corrections commission of a multicounty, municipal-county, or multicounty-municipal correctional center to issue securities of the commission to finance improvements to the jail/corrections center. [SB 155](#) allows a joint board of county commissioners to conduct proceedings regarding existing joint county ditches via teleconference or video conference. Both bills will become effective July 9, 2014.

Ohio EPA files amended air pollution control regulations. The filing Ohio Administrative Code (OAC) chapter 3745-31, "Permits-to-Install New Sources and Permit-to-Install and Operate Program Rules" with the Joint Committee on Agency Rule Review (JCARR). Amendments are being made to various rules in the chapter to bring the rules in line with federal requirements, to add and update citation information on materials referenced in these rules, and to address comments received during the proposal comment period which ended February 18, 2014 concerning the proposed rule changes. These rules and information on the changes are available on the Ohio EPA's Division of Air Pollution Control's Regulations Web page under the information dated April 9, 2014 [Proposed Rules](#). If you have questions or comments about the rules contact Jennifer Avellana at Ohio EPA, (614) 644-3625, jennifer.avellana@epa.ohio.gov or mailed to Jennifer Avellana, Ohio EPA, Division Air Pollution Control, Lazarus Government Center, P.O. Box 1049, Columbus, Ohio 43216-1049.

Legislation of Interest



- [SB 323](#)** ■ **MOTOR FUEL TAX** ([Hite, C.](#), [Seitz, B.](#)) To change the motor fuel receipts tax to be imposed on gross receipts to a petroleum activity tax to be imposed on a hybrid of gallonage and the average wholesale price of gasoline and diesel fuel. Am. 5703.059, 5736.01, 5736.02, 5736.03, 5736.04, 5736.06, 5736.09, 5736.13, 5751.01, and 5751.20
- [SB 325](#)** ■ **WATER CHARGES** ([Brown, E.](#)) Regarding property liens for unpaid county or municipal water service charges. Am. 743.04 and 6103.02
- [HB 515](#)** ■ **TIMBER HARVESTING** ([McGregor, R.](#)) To establish requirements governing contracts for the harvesting of timber and enforcement procedures regarding and penalties for the theft of timber. Am. 901.51, 901.99, 1503.29, 1503.99, 2913.02, and 2913.61; to amend, for the purpose of adopting a new section number as indicated in parentheses, section 901.51 (1503.28); and to enact sections 1503.311, 1503.312, 1503.313, 1503.314, 1503.315, 1503.316, 1503.317, and 1503.318
- [HB 517](#)** ■ **MOTOR FUEL TAX** ([Smith, R.](#), [Rosenberger, C.](#)) To change the motor fuel receipts tax to be imposed on gross receipts to a petroleum activity tax to be imposed on a hybrid of gallonage and the average wholesale price of gasoline and diesel fuel. Am. 5703.059, 5736.01, 5736.02, 5736.03, 5736.04, 5736.06, 5736.09, 5736.13, 5751.01, and 5751.20

Upcoming Legislative Committee Calendar



Statehouse schedule – The General Assembly will be on its Spring Break recess and will return the week of April 28th