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# STATEHOUSE REPORT

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**May 2, 2014**

## Final Push!

Only 3 days remain until Election Day, so please be sure to reach out to your community and encourage support for Issue 1.

The **Issue 1 Strong Ohio Communities** yard signs and brochures are ready and waiting for you. Please contact your county coordinator if you don't yet have your campaign materials. If you encounter any problems, please let [Mary Jane Neiman](#) at CCAO know, and we will assist.



## Senate to begin MBR Hearings next week

The day after the primary election, the Ohio Senate will start hearings on the House-passed portions of the Mid-Biennium Review (MBR). Senate Finance Chairman, Scott Oelslager, has scheduled hearings on [HB 483](#), [HB 484](#), and [HB 492](#) for Wednesday afternoon and Thursday morning. Also on Thursday morning, the Senate Workforce & Economic Development Committee will hear [HB 486](#).

[HB 483](#) is the appropriations component of the governor's MBR package.

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. The bill repeals 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 reallocates the funding to other purposes (see page 81 of the [comparison document](#)). All provisions of HB 369 are also incorporated into HB 483.
- Providing an additional \$10 million in SFY15 for 600-523, Family & Children Services.

- Providing an additional \$10 million in SFY15 for 600-534, Adult Protective Services.
- Creating the Workforce Training Pilot Program for the Economically Disadvantaged and provides \$3 million in SFY15 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 SFY15.
- 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](#).

[HB 492](#) is the MBR dealing with tax administration language.

Notable provisions of interest to counties in the bill include:

- 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; and 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 484](#) is the higher education measure, which includes more focus on performance-based funding in higher education and creation of a study group on need-based financial aid.

[HB 486](#) is the economic and workforce development measure, which aligns reporting for federal workforce programs and creates a regulatory compliance incentive program.

#### BREAKOUT OF MBR INTO SEPARATE LEGISLATION

<a href="#">HB 369</a>	<b>MBR-MEDICAID-OPIOID ADDICTIONS</b> (SPRAGUE R) To require the Medicaid program and health insurers to cover certain services for recipients with opioid addictions. <i>Language is also included in HB 483.</i> <b>Current Status:</b> 4/9/2014 - <b>PASSED BY HOUSE</b> ; Vote 71-20
<a href="#">HB 375</a>	<b>MBR-SEVERANCE TAX-HORIZONTAL OIL AND GAS WELLS</b> (HUFFMAN M) To levy a severance tax on well owners of oil and gas severed from horizontal wells, to create a nonrefundable income tax credit for the amount of horizontal well severance tax paid, and to repeal a cost recovery assessment imposed on oil and gas well owners. <b>Current Status:</b> 5/8/2014 - House Ways and Means, (Eighth Hearing, Substitute Bill)
<a href="#">HB 472</a>	<b>MBR-MID-BIENNIUM BUDGET REVIEW</b> (MCCLAIN J) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. <b>Current Status:</b> 3/26/2014 - House Ways and Means, (Third Hearing)
<a href="#">HB 483</a>	<b>MBR-OPERATION OF STATE PROGRAMS</b> (AMSTUTZ R) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. <b>Current Status:</b> 5/8/2014 - Senate Finance, (Second Hearing)
<a href="#">HB 484</a>	<b>MBR-HIGHER EDUCATION</b> (ROSENBERGER C, BROWN T) With respect to the coordination and administration of higher education programs. <b>Current Status:</b> 5/8/2014 - Senate Finance, (Second Hearing)
<a href="#">HB 485</a>	<b>MBR-OFFICE OF HUMAN SERVICES INNOVATION</b> (SMITH R, JOHNSON T) To establish the Office of Human Services Innovation in the Department of Job and Family Services. <b>Current Status:</b> 4/9/2014 - <b>PASSED BY HOUSE</b> ; Vote 62-30
<a href="#">HB 486</a>	<b>MBR-WORKFORCE AND ECONOMIC DEVELOPMENT PROGRAMS</b> (BAKER N, STEBELTON G) Regarding various workforce development and economic development programs. <b>Current Status:</b> 5/8/2014 - Senate Workforce and Economic Development, (First Hearing)
<a href="#">HB 487</a>	<b>MBR-K-12 EDUCATION PROGRAMS</b> (BRENNER A) With regard to education provisions for students in grades kindergarten through twelve. <b>Current Status:</b> 4/9/2014 - <b>PASSED BY HOUSE</b> ; Vote 62-30
<a href="#">HB 488</a>	<b>MBR-HIGHER EDUCATION-MILITARY VETERANS</b> (DOVILLA M, LANDIS A) To require state institutions of higher education to award credit for military training, and to make other changes regarding state support and benefits for veterans and their spouses. <b>Current Status:</b> 4/9/2014 - <b>PASSED BY HOUSE</b> ; Vote 92-0
<a href="#">HB 489</a>	<b>MBR-DAS LEASE-PURCHASE AGREEMENT PROCESS</b> (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. <b>Current Status:</b> 4/8/2014 - House State and Local Government, (Second Hearing)
<a href="#">HB 490</a>	<b>MBR-AGRICULTURE-NATURAL RESOURCES-ENVIRONMENTAL PROTECTION LAWS</b> (HALL D, THOMPSON A) To revise certain laws governing agriculture, natural resources, and environmental protection. <b>Current Status:</b> 4/8/2014 - House Agriculture and Natural Resources, (Second Hearing)
<a href="#">HB 491</a>	<b>MBR-GAMING LAW</b> (BUCHY J, BLESSING III L) To make various changes to the Gambling Law, Lottery Law, and Casino Law. <b>Current Status:</b> 5/7/2014 - House Policy and Legislative Oversight, (Third Hearing, possible vote)
<a href="#">HB 492</a>	<b>MBR-TAXATION</b> (SCHERER G) To provide authorization and conditions for the levy and administration of taxes in this state. <b>Current Status:</b> 5/8/2014 - Senate Finance, (Second Hearing)

## Senate Bill 310, Clean Energy Moratorium on a fast track

A diverse group of opponents and proponents testified this week on ([SB 310](#)), the Senate's plan to freeze Ohio's green energy law. Chairman [Sen. Bill Seitz](#) (R-Cincinnati) said in an interview after committee that he hoped to amend and vote the measure out of committee next week.

In anticipation of a quick Senate approval, House Public Utilities Chairman Rep. Peter Stautberg (R-Cincinnati) has scheduled sponsor testimony on SB 310 next Wednesday, pending referral.

The measure, which would avert annual increases in the renewable and energy efficiency standards currently set to reach 12.5% and 22% respectively by 2025, is no more popular with green energy developers than Sen. Seitz's more complex proposal to limit the requirements ([SB 58](#)).

The bill has garnered support from some local government officials and business leaders. In previous hearings witnesses representing industrial companies testified in support of the bill saying it would stave off soaring rate increases as the annual standards rise.

Opposition came from other various local governments, energy developers, and the Ohio Consumers' Counsel (OCC) who urged senators to "thaw the freeze." Included in OCC's [testimony](#) was a joint release from the OCC and the Ohio Manufacturers' Association (OMA), asking the committee not to hold renewable and energy efficiency benchmarks at the current levels while a proposed study committee examines the issues. The groups also suggested broadening the scope of the bill to revisit ratemaking provisions included in the 2008 energy bill ([SB221](#), 127th General Assembly).

Many witnesses representing renewable energy developers warned the committee members that the legislation puts at risk existing projects and future investment in Ohio.

Dan Litchfield, senior developer for Iberdrola Renewables, said Ohio's renewable portfolio standards (RPS) were responsible for the company developing the Blue Creek Wind Farm in Van Wert and Paulding counties. The RPS has also encouraged the company to pursue two additional projects in Ohio - the \$200 million Dog Creek Wind Farm next to Blue Creek and the \$300 million Leipsic Wind Farm in Putnam County, he said. "The likelihood of this investment happening will be reduced if Senate Bill 310 is passed into law."

James Hiendlmayr, of Renewable Energy Services of Ohio, said the legislation would jeopardize the company's 2.4 megawatt landfill gas to energy plant in Erie County, which has a long-term power sales agreement with American Municipal Power. Renewable energy mandates are necessary because utilities were not interested in purchasing power from renewable facilities, he said. "Utilities wouldn't buy the damn energy if you gave it to them. That's why it's there - it's there to level the sandbox." The proposal will "crash" the renewable energy credit market in Ohio and significantly reduce REC values across the PJM, Illinois, and Indiana markets, he said, noting he personally invested nearly \$5 million in the landfill gas facility.

## Statehouse Etcetera



**Commissioner Wagner participates in SB 155 Bill Signing.** Seneca County Commissioner Jeff Wagner was invited to participate in the ceremonial bill signing of SB 155, legislation to allow a joint board of county commissioner to conduct hearings on existing joint county ditches by teleconference or video conference. SB155 goes into effect July 10, 2014.

(Standing L-R: Tiffin resident Susan Smith, Seneca County Commissioner Jeff Wagner, State Rep Rex Damschroder, Senator David Burke. Seated: Governor John Kasich)



**House to unveil a new severance tax proposal.** The House Ways and Means Committee is scheduled to receive a substitute version of HB 375, which has been converted to the MBR severance tax proposal, during its hearing next Wednesday. CCAO will be particularly watching for the provisions regarding: the percent of the tax revenue that will be distributed to the local governments in the shale play area and its method of distribution; whether the LGF is held harmless if tax credits or other tax policy changes would lead to a reduction in state General Revenue Fund receipts; and the tax rate that will be established.

**Two federal law suits filed over early voting.** The Democratic National Committee and the Ohio Democratic Party asked a federal court Thursday to make permanent a 2012 ruling that maintained early voting hours on the three days prior to Election Day. The parties filed a motion for summary judgment in their law suit filed in 2012 in the U.S. District Court for the Southern District of Ohio which challenged voting hours set by Secretary of State Jon Husted. The hours ended early voting on the Friday afternoon before Election Day for all non-military voters and the plaintiffs alleged the change violated Ohioans rights to participate equally in elections. The courts sided with the plaintiffs, concluding it was wrong to treat some voters (non-military) different than others (military). The Ohio Supreme Court rejected a request for an emergency stay, and Husted released new hours including the weekend voting days. That case has remained open, and the DNC and ODP are now seeking a summary judgment to make the ruling — and weekend voting hours — permanent.

And the American Civil Liberties Union of Ohio also filed a law suit suing the state in federal court over changes to the state's early voting that are scheduled to take effect this fall. Earlier this year, Ohio lawmakers passed a bill that took away a week of early voting when people could both register to vote and cast a ballot at the same time. And Secretary of State Jon Husted ordered that uniform hours be put in place at all boards of elections across the state, and that voting on the Sunday and Monday before Election Day would be eliminated. The ACLU claims these actions deny significant voting opportunities, saying the new law and Husted's uniform hours directive violate the federal voting rights act because they eliminate hours that are most likely used by low income Ohioans, senior citizens, students and minorities.

On the other hand, Matt McClellan , a spokesman for the secretary of state's office, says Secretary Husted has been a leader in making voting more accessible for Ohioans and it is ironic that the secretary is being sued for treating all voters equally and for supporting a bipartisan voting schedule that gives Ohioans an entire month to cast a ballot. McClellan said there are plenty of early voting opportunities in Ohio and he suggested the ACLU sue other states where no early voting opportunities are offered.

## Legislation of Interest



- HB 524** ■ **LAKEFRONT TOURISM** ([Budish, A.](#), [Lundy, M.](#)) To require the Ohio development Services Agency to develop the Lakefront Ohio Economic Development and Tourism Plan for counties bordering lake Erie, to require regional institutions of higher education to jointly develop a proposal for the use of specified types of land in the region, and to make an appropriation.
- HB 525** ■ **HOUSEHOLD SEWAGE** ([Lynch, M.](#)) To authorize a board of county commissioners or municipal legislative authority to reject the application of any rule adopted after January 1, 2014, by the Department of Health governing the design of household sewage treatment systems. En. 3718.026

## Upcoming Legislative Committee Calendar



**Wednesday, May 7**

- House Health & Aging**, (Chr. [Wachtmann, L.](#), 466-3760), Rm. 116, 9:30 am  
**HB 511** ■ **HEALTH INSURANCE** ([Sears, B.](#)) To suspend the operation of continuation of coverage requirements and make other insurance-related changes. --**4th Hearing-All testimony-Possible amendments & vote**
- House Policy & Legislative Oversight**, (Chr. [Dovilla, M.](#), 466-4895), Rm. 115, 10:00 am  
**HB 491** ■ **MBR GAMING** ([Buchy, J.](#), [Blessing, L.](#)) To make various changes to the Gambling Law, Lottery Law, and Casino Law. --**3rd Hearing-All testimony-Possible amendments & vote**
- House Commerce, Labor & Technology**, (Chr. Young, R., 644-6074), Rm. 114, 10:00 am  
**HB 502** ■ **MINIMUM WAGE** ([Foley, M.](#), [Hagan, R.](#)) --**1st Hearing-Sponsor**
- House Rules & Reference**, (Chr. [Huffman, M.](#), 466-9624), Rm. 119, 10:30 am
- Senate Rules**, (Chr. [Faber, K.](#), 466-7584), Majority Conf. Rm., 11:00 am
- Senate Session**, (Chr. [Faber, K.](#), 466-4900), Senate Chamber, 1:30 pm

**House Session**, (Chr. [Batchelder, B.](#), 466-3357), House Chamber, 2:00 pm  
**Senate Finance**, (Chr. [Oelslager, S.](#), 466-0626), Finance Hearing Rm., 2:30 pm or after session

[HB 483](#) ■ **MBR APPROPRIATIONS** ([Amstutz, R.](#)) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. --**1st Hearing-Sponsor**

[HB 484](#) ■ **MBR HIGHER EDUCATION** ([Rosenberger, C.](#), [Brown, T.](#)) With respect to the coordination and administration of higher education programs. --**1st Hearing-Sponsor**

[HB 492](#) ■ **MBR TAX ADMINISTRATION** ([Scherer, G.](#)) To provide authorization and conditions for the levy and administration of taxes in this state. --**1st Hearing-Sponsor**

**House Public Utilities**, (Chr. [Stautberg, P.](#), 644-6886), Rm. 121, 2:30 pm or after session  
[SB 310](#) ■ **RENEWABLE ENERGY** ([Balderson, T.](#)) To make changes to the renewable energy, energy efficiency, and peak demand reduction requirements and to create a study committee. --**1st Hearing-Sponsor-Pending referral**

**House Ways & Means**, (Chr. [McClain, J.](#), 644-6265), Rm. 116, 3:00 pm  
[HB 375](#) ■ **OIL & GAS SEVERANCE TAX** ([Huffman, M.](#)) To levy a severance tax on well owners of oil and gas severed from horizontal wells, to create a nonrefundable income tax credit for the amount of horizontal well severance tax paid, to repeal a cost recovery assessment imposed on oil and gas well owners, to reduce the severance tax rate on natural gas extracted from nonhorizontal wells, to exclude from the tax base of the commercial activity tax gross receipts from the sale of oil or natural gas severed through use of a horizontal well, and to make an appropriation. --**8th Hearing-All testimony-Possible substitute**

**House Finance & Appropriations**, (Chr. [Amstutz, R.](#), 466-1474), Rm. 313, 4:00 pm 1st Hearing-Sponsor testimony on new legislation regarding ODOT Bridge Financing Policies-Pending referral

[HB 459](#) ■ **DEPOSITORY ACT** ([Sprague, R.](#)) To modify authorized investments of interim moneys and inactive moneys under the Uniform Depository Act --**2nd Hearing-All testimony**

**House Judiciary**, (Chr. [Butler, J.](#), 644-6008), Rm. 017, 4:00 pm

[HB 508](#) ■ **OVERDOSE DEATHS** ([Butler, J.](#)) --**1st Hearing-Sponsor**

**Thursday, May 8**

**Senate Finance**, (Chr. [Oelslager, S.](#), 466-0626), Finance Hearing Rm., 9:30 am

[HB 483](#) ■ **MBR APPROPRIATIONS** ([Amstutz, R.](#)) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs. --**2nd Hearing-Proponent**

[HB 484](#) ■ **MBR HIGHER EDUCATION** ([Rosenberger, C.](#), [Brown, T.](#)) With respect to the coordination and administration of higher education programs. --**2nd Hearing-Proponent**

[HB 492](#) ■ **MBR TAX ADMINISTRATION** ([Scherer, G.](#)) To provide authorization and conditions for the levy and administration of taxes in this state. --**2nd Hearing-Proponent**

- HB 320** ■ **HEALTH CARE SERVICES** (Young, R.) To create a state income tax deduction regarding certain health care services provided at a free clinic; to extend qualified immunity from civil liability for certain volunteer health care services provided to individuals eligible for or receiving Medicaid; to authorize a person practicing under a volunteer's certificate to provide health care services to any person; to create a volunteer's certificate for retired nurses; and to designate December as "Free Clinic Appreciation Month." --**1st Hearing-Sponsor**
- HB 402** ■ **TAX OVERPAYMENTS** (Duffey, M., Landis, A.) To require the Tax Commissioner to notify taxpayers of tax and fee overpayments, to authorize the Commissioner to either apply an overpayment to future tax liabilities or issue a refund, and to make an appropriation. --**2nd Hearing-All testimony-Possible vote**
- SB 287** ■ **DEPOSITORY ACT** (Hughes, J.) To modify authorized investments of interim moneys and inactive moneys under the Uniform Depository Act. --**3rd Hearing-Opponent**

**Senate Rules**, (Chr. **Faber, K.**, 466-7584), Majority Conf. Rm., 10:00 am

**Senate Session**, (Chr. **Faber, K.**, 466-4900), Senate Chamber, 11:00 am

**Senate Workforce & Economic Development**, (Chr. **Beagle, B.**, 466-6247), North Hearing Rm., 1:00 pm

- HB 486** ■ **MBR WORKFORCE** (Baker, N., Stebelon, 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. --**1st Hearing-Sponsor**

**Senate Medicaid, Health & Human Services**, (Chr. **Jones, S.**, 466-9739), South Hearing Rm., 2:00 pm