



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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June 6, 2014

Legislature finishes work on Mid-Biennium Review budget, Measure now before Governor for action

Ohioans are in line for \$400 million more in tax cuts which will result in about \$6.7 million less being deposited in to the Local Government Fund. On the other hand, efforts to limit school districts and local governments' ability to challenge property tax values and the ability for sheriffs to be selected Emergency Management Director or have oversight of such operations were not included in the final version of the main, big Mid-Biennium Review (MBR) legislation ([HB 483](#)). Overall, the bill is a mixed bag depending on your perspective.

For county commissioners, county executives, and county council members, one item of particular interest will be the estimated impact the tax reduction package added by the Ohio Senate will have on the Local Government Fund (LGF) as well as other county revenue streams. Such tax proposals (see side box) are estimated to reduce state general fund revenues \$402 million in FY 2015, thus resulting in a \$6.7 million LGF reduction. CCAO along with the Ohio Municipal League (OML) and the Ohio Township Association (OTA) continued to reiterate [our stance](#) that LGF's should not be further eroded in the process of making of making state tax policy changes.

The tax proposals including in HB 483 with a fiscal impact to both the state General Revenue Fund (GRF) and the Local Government Fund (LGF) include the following:

Certain Tax Changes in HB 483	Tax Cuts: FY2015
Acceleration of Income Tax Cuts	\$94 million
Enhancing Small Business Tax Deduction	\$229 million
Additional Tax Relief for Low/Middle Income (Increase EITC & Exemptions)	\$79 million
TOTAL income tax cut	\$402 million

Language also was added in the Senate at the request of commissioners and CCAO to extend, from 24 to 36 months, the period of time over which counties may have to pay back to the state overpayments of sales tax revenues. Currently, if the amount of the refund exceeds 25% of the county's next sales tax revenue distribution, the Tax Commissioner may spread the refund recovery over distributions made within the next 24 months. The language sought by CCAO is consistent with CCAO's Legislative Platform which advocated for such change. Later this fall, CCAO will continue to explore with the Ohio Department of Taxation and counties repayment options for up to 48 months under certain circumstances.

In addition, Greene County Commissioners worked with Senator Chris Widener (R-Springfield) for another sales tax administration provision. This one would authorize the disclosure of sales and use tax return and audit information to boards of county commissioners as necessary to verify vendor compliance with a county's sales and use tax. *(See separate story for more details.)* CCAO is urging Governor Kasich to retain this provision when he signs HB 483 into law, as the Tax Department has expressed some concerns.

The measure also include language supported by Trumbull County that would authorize a board of county commissioners to franchise for the operation of all or part of a public transit system. This item was included in [HB 500](#), which was amended into HB 483.

In another realm, the MBR will outsource the state's public notice web site to the Ohio Newspaper Association (ONA), which will automate the posting of legal public notices on the state's "Official Public Notice Web Site." The law will prohibit ONA from charging public entities to post legal notices and will require newspaper publishers to upload all notices to the Official Site. For more details, please review the highlights on HB 483 which follows.

And what would a state budget bill be if there was no mention of "shared services" or collaboration? HB 483 enables the State to "walk-the-walk" by codifying its authority for the Office of Budget & Management (OBM) to operate a Shared Services Center, which can provide services to state agencies and local governments. It also enables OBM to administer a payment card (p-card) program, which local governments may use to purchase equipment, materials, supplies, or other services. This state and local government partnership should prove beneficial, given that a certain volume of transactions is needed to make a p-card program economically successful. Such program is not ready to roll out yet, but the state will be working on it. The bill also permits a political subdivision to enter into an agreement with a state agency under which the state agency is to perform a function or render a service for the local government, and vice versa; in essence, such language would authorize an "intergovernmental agreement" between a state agency and political subdivision.

Further refining his effort to provide better customer service to dog owners, Senate President Keith Faber (R-Celina) worked to tweak language in the law to enable permanent/lifetime dog licenses to be purchased year-round for new dog owners, as well as to provide more access to multi-year licenses. This is explained later in the MBR highlights.



Senate President Keith Faber

CCAO also worked with Senator Faber through the conference committee process on his three proposals included in the Senate-passed version aimed to encourage county job and family services caseworkers to move individuals into employment and therefore off public assistance. As initially proposed, the state would have been charged with implementing an evaluation system for both counties generally and for individual caseworkers, in terms of how many individuals they are able to elevate off of public assistance through connecting them with employment. CCAO proposed instead, and the Conference Committee adopted, that the state evaluate only counties as a whole, and make permissive the ability for a county to choose to evaluate the 'performance' of individual caseworkers. CCAO also successfully proposed that the newly created "Workgroup to Reduce Public Assistance Reliance" include commissioner representation, and that any recommendations made by the workgroup include cost estimates around implementation. For more information on these provisions and his third proposal to create a pilot program involving bonuses for caseworkers, see the Health and Human Services section below.

The future siting of wind turbines will be impacted by HB 483, too. The bill provides that the minimum setback, beginning on the effective date of the bill, for a wind turbine be at least 1,125 feet in horizontal distance from the tip of the turbine's nearest blade at 90 degrees to the property line of the nearest adjacent property. This new standard will not apply to turbines that have received a certificate from the Power Siting Board or for which an application has been submitted to the Board of consideration prior to the effective date of HB 483's language.

In addition, the MBR authorizes the state Office of Budget and Management (OBM) to transfer up to \$300 million to the Medicaid Reserve Fund, and this provision drew concerns from some House Republicans who were upset with the way Medicaid Expansion was approved earlier by the Controlling Board, (a legislative-spending oversight entity), as opposed to specific, direct legislative action by the General Assembly. Such lawmakers were worried that the Administration could further expand the Medicaid program somehow by tapping the reserve fund with Controlling Board approval. As a result, many House Republicans refused to vote for HB 483, until an agreement was reached that included an amendment be inserted into an unrelated workforce development bill that says the fund can be tapped only with approval by majorities in the House and Senate, although this amendment was opposed by Democrats.

In the coming weeks, the CCAO Statehouse Report will highlight other legislation addressed in the past two weeks, particularly bills enacted. In the meantime, this edition of Statehouse Report focuses on the big, main MBR (HB 483) and highlights provisions of interest to counties. HB 483 now is before the Governor for his consideration and action. If you have specific questions, please contact a member of the CCAO Policy Team at 614-221-5627.

Highlights of provisions of interest to counties:

Taxation and Finance

Recovery of Sales Tax Overpayments -- Extends, from up to 24 to 36 months, the payback period counties have when a sales tax overpayment results in a recovery of funds. This provision, which appears in the CCAO Legislative Platform, is of particular interest to counties who unexpectedly have been hit with large, multi-year overpayments that have resulted in substantial impacts to operating budgets that must finance the return of the inappropriately credited sales tax dollars. CCAO looks forward to continuing discussions with the Ohio Department of Taxation later this year regarding a future legislative proposal to authorize repayment plans for up to 48 months; the Tax Department would like to include parameters for when longer repayment schedules could be allowed. (ORC Section 5703.052)

Disclosure of Sales and Use Tax Information to Counties —Authorizes the disclosure of sales and use tax return and audit information to boards of county commissioners as necessary to verify vendor compliance with a county's sales and use taxes. (ORC Section 5703.21)

Remission of Sales Tax Based on Prearranged Agreement — Modifies the procedure that the Tax Commissioner and a vendor may use to allow the vendor to remit sales tax on the basis of a prearranged agreement without keeping complete and accurate primary records of the vendor's taxable sales. (ORC Section 5739.05, Section 812.70)

Income Tax Rate Reduction —Accelerates the phase-in of an income tax rate reduction currently scheduled to reduce tax rates by 9% in the 2014 taxable year and 10% in the 2015 taxable year (compared to 2012 rates), by shifting the 10% rate reduction to the 2014 taxable year and thereafter. (ORC Section 5747.02)

Increase Income Tax Personal Exemption Amounts — Increases the personal exemption amounts available to income taxpayers whose Ohio adjusted gross income is \$80,000 or less, from \$1,700 to either \$2,200 or \$1,950, depending on the taxpayer's income. Indexes for inflation the exemption amounts beginning in TY 2016. (ORC Section 5747.025)

Earned Income Tax Credit — Increases the Ohio earned income tax credit from 5% to 10% of a taxpayer's federal credit, subject to existing limitations on the maximum amount of credit allowed, beginning in 2014. (ORC Section 5747.71)

Enhanced Business Income Deduction — Increases the income tax deduction for business income from 50% to up to 75% of that income for taxable years beginning in 2014 only, with a maximum allowable deduction of \$187,500 (or \$93,750 for a spouse filing separately). After tax year 2014, the deduction percent reverts back to 50% and the maximum deduction reverts back to \$125,000. (Section 610.20; Amends Section 512.70 of HB 59)

Historic Preservation Tax Credit Against the CAT — Temporarily authorizes owners of an historic rehabilitation tax credit certificate to claim a credit against the commercial activity tax (CAT) if the owner cannot claim the credit against another tax; the credit is available for certificates with an effective date after December 31, 2013, but before June 30, 2015. In addition, authorizes limited pass-through treatment of the CAT historic rehabilitation tax credit for corporate owners of a pass-through entity eligible to claim the credit. (Section 757.20)

Historic Rehabilitation Tax Credit for "Catalytic Projects" — Permits the Development Services Agency to issue a historic building rehabilitation tax credit certificate to the owner of a "catalytic project" with some limitations. Provides that the certificate may equal up to \$25 million, instead of the current cap of \$5 million, but limits the owner of the catalytic project to claiming only \$5 million of the total certificate amount per year. The Director may award a credit for the 2014-2015 biennium only to the owner of a catalytic project that applies for the credit after the bill's effective date but before December 1, 2014. In addition, specifies that the Director is no longer required to consider the number of individuals that would live at the catalytic project after its completion when deciding whether to award a catalytic project credit certificate. (ORC Section 149.311, Section 757.40)

Fraternal Organization Real Property Tax Exemption — Modifies a tax exemption for real property held or occupied by fraternal organizations by allowing a fraternal organization's property to qualify for the exemption if the organization has been operating in Ohio with a state government body for at least 85 years. Under current law, the exemption is only available for property held by fraternal organizations that have been operating in Ohio with a state governing body for at least 100 years. Also under current law unchanged by the bill, real estate generating rental receipts of more than \$36,000 per year would remain taxable. According to the Legislative Service Commission analysis, the Moose Fraternal organization likely would benefit from this change. This provision is estimated to reduce property tax revenue to political subdivisions statewide by a very rough estimate of \$1 million. (ORC Section 5709.17, Section 757.50)

New Water-Works Tangible Personal Property Tax Assessments — Requires that all new water-works company tangible personal property first subject to taxation in tax year 2014 or thereafter be assessed at 25% of its true value, instead of 88% as required for property subject to taxation before tax year 2014. (ORC Section 5727.111)

Property Tax Exemption for Charitable Entity — Exempts from taxation the real property of a charitable organization that is used exclusively for receiving, processing, distributing, researching,

or developing human blood, tissues, eyes, or organs. (ORC Section 5709.12)

Authorized Uses of TIF Revenue — Expressly authorizes political subdivisions to use revenue collected from tax increment financing (TIF) to fund the provision of gas or electric services by or through privately owned facilities if doing so is necessary for economic development. According to the amendment sponsor, this provision largely codifies existing practice in most areas. (ORC Section 5709.40)

Justice and Public Safety

Law Enforcement Administering Naloxone — Exempts law enforcement from the requirement to be licensed by the State Pharmacy Board as a terminal distributor of dangerous drugs in order to be authorized to possess, distribute, or administer the drug naloxone, which is used to reverse opioid overdoses. Currently, in order to possess, distribute, and administer naloxone, law enforcement agencies are required to obtain a license and remit an annual fee of approximately \$112. (ORC Section 2925.61, 4729.51)

Reduction in MARCS User Fees — Requires the Department of Administrative Services to work in consultation with the Department of Public Safety to submit written recommendations to the General Assembly that specifies a formula, method, or schedule by which user fees for the Multi-Agency Radio Communications System (MARCS) may be reduced from their current amounts. The recommendations are due by January 23, 2015. (Section 745.20)

MARCS Grants — Allows up to \$3 million in FY 2015 from the Fire Department Grants line item 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). (Section 610.20; Amends section 241.10 of HB 59)

Criminal Justice Re-codification Committee — Creates the Criminal Justice Re-codification Committee to study Ohio's criminal statutes with the goal of enhancing public safety and the administration of justice. Requires Committee to issue a report to the General Assembly before January 1, 2016. (Sections 729.10, 729.11)

Disclosure of Confidential Mediation Communications — Amends a cross reference in a section of law that lists the circumstances under which a mediator may disclose otherwise confidential communications concerning a mediation to a court or other entity that may make a ruling on the dispute that is the subject of the mediation by: (1) adding a reference to a section of law that details exceptions to the mediation communication privilege, including, for example, communications made in a public meeting and communications concerning imminent criminal activity, and (2) removing a reference to a section of law that states that except as provided in the Open Meetings Law and the Public Records Law, mediation communications are confidential to the extent provided by the parties' agreement or provided by rule or law. (ORC Section 2710.06)

Franklin County Probate Court Mental Health Fund, Guardianship Service, and Guardianship Service Board — Makes various changes so that the Franklin County Probate Court Mental Health Fund may gain additional revenue and if Franklin County opts to establish a guardianship service. (ORC Section 2101.026)

Avon Lake Municipal Court Judgeship — Changes the existing part-time judgeship of Avon Lake Municipal Court to a full-time judgeship. This will result in additional judicial compensation expense for Lorain County along with Avon Lake and the State of Ohio. (ORC Section 1901.08; Section 719.10)

Lawrence County's Ability to Use Former State Facility for County Jail —Authorizes the Lawrence County Board of County Commissioners to enter into an agreement with the state to authorize the sheriff of Lawrence County to use the Former Ohio River Valley Juvenile Correctional Facility in Scioto County as a jail. Also authorizes use of part of the facility for juvenile offenders and provides for shared agreements. (ORC Section 341.12, 341.121)

Montgomery County Center for Adolescent Services – Allows DYS to establish a unit for female felony delinquents at the Center with the consent of the juvenile court with jurisdiction over the Center and commit female felony delinquents to the unit without the consent of the sentencing juvenile court. (ORC Section 2152.19, 5139.05, 5139.34, 5139.36, 5139.41)

Indigent Drivers Alcohol Treatment Funds – Expands the permissible uses for the funds to include alcohol assessment and treatment related transportation costs and the sharing of the fund surplus with other courts in the county and the county mental health system. (ORC Section 4511.191)

Jobs, Economic Development, and Infrastructure

Adult Career Opportunity Pilot Program – Establishes the Adult Career Opportunity Pilot Program to permit a community college, technical college, state community college, or Ohio technical center that provides post-secondary workforce education to develop and offer a program of study that allows individuals who are at least 22 years old and have not received a high school diploma or a certificate of high school equivalence to obtain a high school diploma, upon receiving approval from the State Board of Education and the Chancellor. (ORC Section 3313.902; Section 610.20; Amends Section 263.270 of HB 59)

Career Advising and Mentoring – Provides appropriation for the State Superintendent of Education to create the Career Advising and Mentoring Grant Program. Specifies that the program award competitive grants for local networks to sponsor career advising and mentoring for students in high schools with high poverty, low graduation rates, and other criteria. (Section 610.20; Amends Section 263.320 of HB 59)

Workforce Integration Task Force — Creates a workforce integration task force within the Opportunities for Ohioans with Disabilities Agency (OOD), co-chaired by the OOD Executive Director and the Director of Job and Family Services. Requires the task force to collect certain employment data regarding individuals who are deaf or blind in Ohio. Requires a report to be issued by January 1, 2015, containing recommendations on how individuals who are deaf or blind may be more fully integrated into the workforce. (Section 751.20)

Wind Farm Setbacks — Specifies that the minimum setback, beginning on the effective date of the bill, for a wind turbine be at least 1,125 feet in horizontal distance from the tip of the turbine's nearest blade at 90 degrees to the property line of the nearest adjacent property. This new standard will not apply to turbines that have received a certificate from the Power Siting Board or for which an application has been submitted to the Board for consideration prior to the effective date of HB 483 (ORC Section 4906.20, 4906.201)

Federal-Military Jobs Commission — Declares that it is the public policy of the state to assist in and facilitate public or private partnerships that would aid in the retention and growth in the active federal and military missions and agencies located in Ohio. Creates a 9-member Federal-Military Jobs Commission to develop and maintain an ongoing strategy for retention and growth of federal-military agencies and missions and associated private sector jobs in Ohio. Commission to issue a report by April 1, 2015. (ORC Section 193.03, 193.01, 193.05, 193.07, and 193.09)

Maritime Port Funding Study Committee — Creates the Maritime Port Funding Study Committee to study alternative funding mechanisms for maritime ports in Ohio that may be utilized beginning in FY 2016-2017. (Section 745.10)

County Transit Franchise Agreements — Authorizes a board of county commissioners, on behalf of a county transit board, to award a franchise for the operation of all or part of a public transit system. This provision and more, originally included in HB 500, were rolled into HB 483. (ORC Sections 306.04, 306.14, 307.863, 307.982)

Transfer of Public Property to Development Corporations — Enables a board of county commissioners to transfer real property to an economic development corporation or community improvement corporation that the subdivision has designated as its agent for development purposes. Earlier this year an Attorney General's opinion provided that commissioners could transfer land but not buildings. The language added to HB 483 enables building to also be transferred. (ORC Section 1724.10)

State Infrastructure Bank Obligations — Modifies the state infrastructure bank with respect to the obligations issued to fund public or private transportation projects deemed qualified by the Director of Transportation. Currently, the Treasurer of State is authorized to issue obligations with a maximum maturity of 25 years from the date of issuance. The bill increases the maximum maturity for *certain* obligations. Under the bill, if obligations are issued to finance a transportation facility pursuant to a public-private agreement, the maximum maturity of the obligations is 45 years from the date of issuance. "Public-private agreement" means the agreement between a private entity and the Department of Transportation that relates to the development, financing, maintenance, or operation of a transportation facility, subject to Ohio law governing the Department's public-private partnerships. (ORC Section 5531.10)

Local Government Support to Art Museums — Includes art museums among the current entities allowed to receive annual payments, calculated on the basis of table property values from boards of education, education service centers, and other local governments (including counties). (ORC Section 757.03, 757.04 to 757.08)

Veterans Memorial — Provides that a "new" nonprofit corporation is to be organized for the purpose of operating a veterans memorial and museum in Franklin County, and provides additional provisions relating to the funding and board composition of the nonprofit corporation. (ORC Section 307.6910)

Lodging Tax for Soldier's Memorial — Authorizes the county commissioners of a county with a population between 103,000 and 107,000 (i.e., Allen County), within six months after the effective date of the bill, to levy a tax on hotel lodging transactions of up to 3% for the purpose of expanding, maintaining, or operating a soldiers' memorial. (ORC Section 5739.09)

Stadium Maintenance and Improvement in Stark County — Allows a county with a population of between 375,000 and 400,000 to use up to \$500,000 of the revenue it receives each year from an

existing lodging tax to finance the improvement of a stadium located in the county, in cooperation with other parties. (ORC Section 307.678, 133.07, 5739.09)

Disaster Services/Flood Mitigation — Increases the transfer of funds from the Disaster Services Fund for the Putnam County Flood Mitigation Project from \$4.0 million to \$8.0 million. (Sections 630.10, 630.11; Amends Section 701.50 of HB 497)

Property Appropriation Supplemental Compensation Expenses – Generally increases the maximum amount of costs related to an eminent domain proceeding that a government is liable to the property owner for. This primarily applies to ODOT. (ORC Section 163.15, 163.53-.55)

Health and Human Services

Office of Human Services Innovation – Establishes the office within ODJFS to coordinate and reform public assistance programs. (ORC Section 5101.061)

Ohio Healthier Buckeye Advisory Council and Grant Program – Creates the Ohio Healthier Buckeye Advisory Council and Ohio Healthier Buckeye Grant Program in ODJFS. The council is charged with developing a process for the disbursement of grant monies to county healthier buckeye councils established under ORC Section 355.02 and/or county departments of job and family services for initiatives to reduce reliance on public assistance. The council is also charged to make recommendations around:

1. Coordinating services across all public assistance programs to help individuals find employment, succeed at work, and stay out of poverty;
2. Revisiting incentives for public assistance programs to foster person-centered case management; and
3. Standardizing and automating eligibility determination policies and processes for public assistance programs.

(ORC Section 5101.91, 5101.92; Section 551.10)

Adult Protective Services Funding Workgroup and Appropriation – Appropriates up to \$10M for the adult protective services (APS) system, though those funds are under the purview of the Controlling Board, to be released per recommendations of the APS workgroup. Creates a workgroup of at least 14 individuals, including a CCAO representative, to be appointed by the Governor and chaired by the ODJFS director to, first, make recommendations to ODJFS by September 30, 2014 about a distribution method for the \$10M appropriation for adult protective services (APS) under the purview of the Controlling Board; and second, to:

1. Investigate programmatic or financial gaps in the APS system;
2. Identify best practices currently employed at the county level as well as those that can be integrated into the system;
3. Identify areas of overlap and linkages across all human services programs; and
4. Coordinate with the Children Services Funding Workgroup.

(Section 751.130)

County JFS Departments

Evaluation System for CDJFS and Individual Caseworkers – Requires ODJFS to establish an evaluation system, in consultation with CCAO and the JFS Directors Association, to rate CDJFS on their success with helping public assistance recipients obtain employment that enables the recipients to cease relying on public assistance. Also permits a county department to use the evaluation system to evaluate an individual caseworker's success of the same.

CCAO was successful in advocating for an amendment that made the evaluation system for individual caseworkers discretionary on the part of the county, includes CCAO and JFSDA in the promulgation of the evaluation systems, and delays the effective date of the provision until February 2015. (ORC Section 5101.90)

Ohio Works First Incentive Pilot Program – Establishes the Ohio Works First (OWF) Incentive Pilot Program in ODJFS, under which caseworkers in five county departments of job and family services can receive bonuses for helping OWF, or cash assistance, recipients find employments that enables the program participant to cease relying on the program. Counties who participate in the pilot would receive \$50,000 from the TANF block grant to cover administrative expenses incurred by their participation in the pilot program. (Section 751.35)

Workgroup to Reduce Public Assistance Reliance – Creates the workgroup, to be convened by the Governor and staffed by ODJFS, of nine CDJFS directors to develop proposals to help individuals cease relying on public assistance and issue a report approximately six months after effective date of the provision.

CCAO successfully advocated for an amendment adopted by the conference committee to add two county commissioners to the group, and to require the workgroup to also include the estimated cost to implement each proposal. (Section 751.37)

Children Services

Provision of Federal Match Dollars – Appropriates \$3.2M of GRF as match to draw down certain federal dollars (Title IV-B ESSA and Chafee funds, for the purposes of strengthening families in order to prevent removal of children and assist youth aging out of foster care in making a successful transition, respectively) that many counties were forced to leave on the table even when they could utilize the dollars due to a lack of local match.

Children Services Funding Workgroup – Creates a workgroup of at least 13 individuals, including a CCAO representative, to be appointed by the Governor and chaired by the ODJFS director to, first, make recommendations to ODJFS by September 30, 2014 about a distribution method for the \$6.8M appropriation for adult protective services (APS) under the purview of the Controlling Board; and second, to:

1. Investigate programmatic or financial gaps in the APS system;
2. Identify best practices currently employed at the county level as well as those that can be integrated into the system;
3. Identify areas of overlap and linkages across all human services programs; and
4. Coordinate with the Adult Protective Services Funding Workgroup.

(ORC Section 751.140)

Disposal of PCSA Paper Records – Creates a process by which a county public children services agency (PCSA) and county records commission may dispose of paper case records that have been entered into SACWIS or other electronic file. (ORC Section 149.38)

Permanency Plan Approval – Requires a court, as part of a child placement or custody arrangement hearing, to determine whether a PCSA or private child placing agency made reasonable efforts to finalize the permanency plan for the child. (ORC Section 2151.417)

Children’s Residential Facilities Information Requirements – Requires certain residential facilities that care for children to provide certain information to local law enforcement agencies, EMA and fire departments, such as emergency plans. Also requires such agencies to develop a community engagement plan. (ORC Section 5103.05, 5103.051, 5153.21, 5153.42)

Child Placement Level of Care Tool Pilot Program – Creates the pilot for 18 months in up to ten counties; requires ODJFS to provide for an independent evaluation of the pilot and seek maximum federal funding available to support the pilot and evaluation. The tool is defined as “an assessment tool to be used by participating counties and agencies to assess a child's placement needs when a child must be removed from the child's own home and cannot be placed with a relative or kin not certified as a foster caregiver that includes assessing a child's functioning, needs, strengths, risk behaviors, and exposure to traumatic experiences.” (Section 301.143)

Child Support Enforcement

Intercept of Child Support From Lottery Prizes and Casino Winnings – Provides for a real-time data match of lottery/casino winners with ODJFS to determine if any are obligors in default of a child support order, and for the withholding of such winnings. (ORC 3123.89, 3123.90)

Child Care

Oversight – Eliminates ODJFS authority to contract with a government or private nonprofit entity to license Type B homes; allows a government or private nonprofit with which the director has contracted for inspections of type B homes to subcontract that duty to another government or private nonprofit. Moves several responsibilities for publicly funded child care administration from county JFS departments to the Ohio Department of Job and Family Services.

Publicly Funded Child Care Eligibility – Creates a presumptive eligibility process for publicly funded child care by allowing an applicant to receive services while an eligibility determination is pending, and permitting a provider to continue to receive payment for publicly funded care for up to five days after an application is determined ineligible. Permits a caretaker parent to continue receiving publicly funded child care for up to 13 weeks during a 12 month period, despite failure to meet employment, education, or training requirements.

County Homes

Provision of Sub-Acute Detox Services - Permits county homes and district homes that are nursing facilities to provide sub- acute detoxification services to residents who have been determined to be addicted to opioids by the Pre-admission Screening and Annual Resident Review System. (ORC Section 5155.28)

Certificate of Need Changes – Makes various changes to the law governing the Certificate of Need (CON) program. (ORC Sections 3702.511, 3702.52, 3702.526)

Nursing Facility Behavioral Health Advisory Workgroup -- Creates the Nursing Facility Behavioral Health Advisory Workgroup and requires the Workgroup to (1) develop recommendations for a pilot project to designate a total of not more than 1,000 beds in discrete units of nursing facilities to serve individuals with behavioral health needs and (2) submit, not later than December 31, 2014, a report to the General Assembly that includes the Workgroup's findings and recommendations for the pilot project. (ORC Section 751.120)

Alternative Purchasing Model for Nursing Facility Services – Revises the law governing an alternative purchasing model for nursing facility services (current law allows the ODM Director to establish such a model) provided to Medicaid recipients with specialized health care needs. (ORC Section 5165.157, 5165.15)

Nursing Facilities' Quality Incentive Payments – Revises the law governing nursing facilities quality incentive Medicaid payments as follows: (1) Enables a nursing facility to receive the higher of the two maximum quality incentive payment rates if it meets the accountability measure regarding a tool tracking residents' admissions to hospitals; and (2) Establishes for FY 2016 and thereafter an accountability measure regarding the employment of an independent social worker or social worker at least 40 hours per week and an accountability measure regarding the utilization of a person-centered method of medication delivery. (ORC Section 5165.25, 173.47, 5165.23)

Requirements for Long-Term Care Facilities Regarding Sex Offenders – Establishes requirements for long-term care facilities regarding residents who are identified as sex offenders in the Attorney General's sex offender and child-victim offender database. (ORC Section 3721.122)

Housing

Metropolitan Housing Authority Contracts and Grants — Provides that nothing in the Metropolitan Housing Authority (MHA) Law limits an MHA's authority to compete for and perform federal housing contracts or grants. (ORC Section 3735.31)

Behavioral Health – see separate story

Developmental Disabilities

Required Examination of Sharing County DD Board Superintendents and Management Employees upon Vacancy – Requires a county DD board to consider entering into an agreement with another county DD board to share a superintendent when a vacancy occurs in that position, or to consider sharing management employees when a vacancy occurs in that type of position. Provides the county board may employ a superintendent or management employee to fill its vacancy if, after consideration, the board determines there are no significant efficiencies or it is impractical to sharing a superintendent or management employee. (ORC Section 5126.0219, 5126.21)

County DD Board Contracts with Nongovernmental Agencies – Repeals the law prohibiting a county DD board from contracting with a nongovernmental agency whose board includes a county commissioner of any of the counties served by the board, as conflicts of interest are otherwise covered under Ohio's ethics laws. (ORC Section 5126.037 – repealed)

Appointments to County Boards of Developmental Disabilities – Broadens the categorical appointments a board of county commissioners makes from current law requiring appointment of immediate family members of individuals eligible for county board services, to include also the ability to appoint an individual who is eligible for county board services. (ORC Section 5126.022)

County DD Board Agreements to Share Employees – Authorizes two or more county DD boards to agree to share the services of one or more employees. (ORC Section 5126.02)

Evidence-based Interventions for Autism Spectrum Disorder – Requires the Ohio Department of Developmental Disabilities (ODODD) to establish a voluntary training and certification program for individuals who provide evidence-based interventions to individuals with an autism spectrum disorder. (ORC Section 5123.0420)

Definition and Eligibility Changes – Modifies the meaning of “developmental disability” and eligibility for services, particularly for individuals under the ages of 3 and 6. (ORC Section 5123.01, 5123.011, 5126.01)

General Government

State Public Notice Web Site — Outsources the state's public notice web site, practically enabling the Ohio Newspaper Association to manage the site. This will facilitate the legal notices published in newspapers to automatically be uploaded on the "Official Public Notice Web Site" with no additional costs to public offices, although the site may charge end-users for "enhanced search and customized content delivery features." Specifically, requires that, not later than 180 days after the provision's effective date, all notices or advertisements that are required by law to be published in a newspaper to be posted on the state's web site by the publisher of the newspaper. In addition, prohibits any political publications or political advertising from appearing on the Official Public Notice Web Site.

In addition, this provision changes the second, abbreviated notice or advertisement publication requirements that a public office must meet to eliminate further newspaper publications by: (1) eliminating a requirement that the second abbreviated notice be published on a newspaper's Internet web site, if the newspaper has one; (2) specifying that the publisher of the newspaper post the second, abbreviated notice or advertisement on the official public notice web site at no additional cost; and (3) requiring that the abbreviated second notice need only include the Internet address of the official public notice web site and the name, address, telephone number, and email address of the public office (thereby eliminating the need for these entities to include their own specific Internet addresses). (ORC Sections 125.182, 7.10, 7.16, 2701.09)

Shared Services with the State — Codifies the authority for the state Office of Budget & Management (OBM) to operate a Shared Services Center, which can provide services to state agencies and local governments. Also enables OBM to administer a payment card program, which local governments may use to purchase equipment, materials, supplies, or other services as outlined in guidelines set by OBM; CCAO understands that OBM will be working on a "p-card" program down the road, and is not ready to roll out this service program yet. Finally, permits a political subdivision to enter into an agreement with a state agency under which the state agency is to perform a function or render a service for the local government, and vice versa; in essence, such language would authorize an "intergovernmental agreement" between a state agency and political subdivision. (ORC Section 9.482, 126.21, 126.25)

Cooperative Purchasing — Allows the Director of Transportation to permit regional planning commissions, regional councils of government, or other specified associations of local governments to participate in a contract that the Director has entered into for the purchase of machinery, materials, supplies, or other articles. Any such purchase made by those local government entities is exempt from any competitive bidding requirements otherwise required by law. Additionally, the bill makes technical changes to the statute governing contracts entered into by the Director for the purchase of machinery, materials, supplies, and other articles. Under current law, the Director may permit the Ohio Turnpike and Infrastructure Commission, any political subdivision, and any state university or college to participate in such contracts. Purchases made by those entities also are exempt from competitive bidding requirements. For purposes of this statute, "political subdivision" means any county, township, municipal corporation, conservancy district, township park district, park district, port authority, regional transit authority, regional airport authority, regional water and sewer district, county transit board, or school district. (ORC Section 5513.01)

Direct Deposit Payroll Policy — Provides that a local government direct deposit payroll policy includes all public officials (i.e., elected officials), and not just employees of the jurisdiction. Current law enables a county auditor to establish a direct deposit payroll policy for counties. (ORC Section 9.37)

Disability Separation Reinstatement Deadline — Increases the deadline for the reinstatement of a person holding an office or position in the classified service, who has been separated from the service due to injury or physical or psychiatric disability, to within 60 days after the person submits a written application for reinstatement. Under current law, an appointing authority must reinstate the person within 30 days after the person submits the application. Continuing law requires that a person who has been separated from service due to injury or physical or psychiatric disability must be reinstated in the same office held or in a similar position to that held at the time of separation if the application for reinstatement is filed within two years from the date of separation, and if the person passes an examination made by certain specified medical professionals. (ORC Section 124.32)

Political Communication Identification and Disclaimer— Eliminates the requirement that an entity, other than a candidate, legislative campaign fund, or campaign committee, include the name and residence or business address of the chairperson, treasurer, or secretary of the entity in any political publication or communication it issues. Instead, under the bill, all entities must include the phrase "paid for by" followed by the name of the entity in their political publications and communications. Continuing law requires a candidate, legislative campaign fund, or campaign committee to include that phrase in their political publications and communications.

Under continuing law, a political action committee or political contributing entity that has fewer than ten members is not required to identify itself in a political publication or communication. However, in order to qualify for this exception, the political action committee or political contributing entity must not spend more than an amount designated in statute and the expenditure must not be made in cooperation, consultation, or concert with, or at the request or suggestion of, a political entity that does not qualify for this exception or a political action committee or political contributing entity with fewer than ten members that spends in excess of the designated amount.

Further, the bill removes the requirement that an entity that issues a political radio or television communication either (1) identify the speaker with the person's name and residence address or (2) identify the chairperson, treasurer, or secretary of the entity with the name and residence or business address of that officer. Instead, the bill requires an entity that issues a political radio or television communication to include the phrase "paid for by" followed by the name of the entity.

Finally, the bill consolidates language describing the identification and disclaimer requirements for various entities when they print or broadcast communications and hold telephone banks concerning candidates and ballot issues. (ORC Section 3517.20)

Dog Registrations/Licenses — Makes a number of changes to allow the purchase of a three-year license or permanent license throughout the year as well as a one-year license. Specifies that a dog owner who does not register the dog by January 31 or within 30 days of acquiring the dog after Jan 31 must pay a penalty in an amount equal only to the one-year registration fee, as opposed to multi-year or permanent dog tag.

In addition, requires the owner of a dog becoming three months after July 1 or a dog purchased outside the state after July 1 to register the dog within 90 days of the dog's becoming three months of age or the date of purchase, as applicable. Provides that the owner may register the dog for the remainder of the current year, the remainder of the current year plus two additional years, or permanently. Requires the owner to pay registration fees as follows: (1) one-half the original fee for a one-year license for the remainder of the current year; (2) 83% of the original fee for a three-year registration if registering the dog from the remainder of the current year plus two additional years; or (3) the original fee for a permanent registration if registering the dog permanently. The provisions in this paragraph become effective December 1, 2014. (ORC Section 955.05, 955.01, 955.06)

Dangerous Wild Animal Provisions — Makes several changes relative to the Dangerous Wild Animal and Restricted Snake Law relating to permitting and care for certain restricted snakes. (ORC Sections 935.03, 935.12)

"Accessible" Signage — Requires whoever erects or replaces a sign containing the international symbol of access to use forms of the word "accessible" rather than "handicapped" or "disabled." (ORC Section 9.54)

Public Construction "Prompt Pay" Law — Removes construction managers from the definition of "principal contractor" for purposes of the public construction "prompt pay" law, as construction managers are not responsible as a principal contractor for the payment of persons providing labor or supplies for the project. (ORC Section 153.56)

Unemployment Compensation Registration Requirement for Claimants – Allows ODJFS to immediately cease benefit payments if a claimant does not meeting reporting requirements, rather than continuing payments to the claimant during the three-week registration period, resulting in an overpayment that must be collected. (ORC Section 4141.29)

Agriculture and Natural Resources

Hamilton County Fairground Improvements — Re-appropriates \$50,000 for Hamilton County Fairgrounds Improvements. (Sections 630.10, 630.11; Amends Sections 253.330 of HB 497)

ODNR NatureWorks Grant Program – Appropriates an additional \$7.8 million for NatureWorks grants to help develop and improve public access for outdoor recreation facilities. (Sections 630.10; Amends Sections 223.10, 223.30, and 223.4 of HB 497)

Provisions Not Included in Final Version Of Bill:

Law Enforcement by Unpaid Police Officers — The amendment would have prohibited a peace officer who does not receive an hourly rate of pay or salary from a law enforcement agency from

issuing a citation for, or arresting any person for, a violation of the Motor Vehicle Law. (Contained in Senate Passed Version but was removed by Conference Committee - ORC Section 2935.012)

Authority for Sheriff to Oversee EMA — The amendment would have permitted a board of county commissioner to enter into a contract, not to exceed four years, with the county sheriff or chief of a fire department that has countywide authority (however no such fire department exists in the state) to implement a countywide emergency management program as an alternative to creating a countywide emergency management agency. (Contained in Senate Omnibus Amendment but was removed from bill before Senate passed its version – ORC Section 5502.26 and 5502.261)

Property Tax Complaints — The amendment would have limited the right to initiate a property tax complaint to the property owner, the owner's spouse, certain agents of the owner or spouse, or the recorder of the county in which the property is located. (Contained in Senate Passed Version but was removed by Conference Committee — ORC Section 5715.19, 307.699, 3735.67, 5715.27, 5717.01)

Pilot sales tax holiday proposal sidelined by Ohio House, Private label credit card provision removed

State Representative Gary Scherer (R-Circleville) offered an amendment to tax refund legislation ([SB 263](#)) on the House floor that would have established a one year pilot sales tax holiday on certain clothing and school supplies only to withdraw the amendment after floor debate indicated a lack of information and understanding by House members about the financial impact of the sales tax holiday on state and county governments and even on retail merchants who generally support the sales tax holiday concept. CCAO is opposed to sales tax holiday legislation and has testified against sales tax holiday legislation during hearings in the Ohio Senate.

The underlying bill, SB 263, is bipartisan legislation strongly supported by the Kasich Administration intended to require the Department of Taxation to notify persons and businesses that are owed tax or fee money of their credit balance and to require the state to refund or credit taxpayers going forward. Following the anticlimactic sales tax holiday amendment debate on the floor of the House, SB 263 was unanimously passed by the Ohio House.

The amendment would have established a one year sales tax holiday pilot program beginning on the first Friday in August of 2015, on school supplies and school instructional materials separately valued at \$20 or less and “an item” of clothing valued at \$75 or less. The definition of clothing in the amendment included a rather odd list of clothing items not normally associated with back to school clothes for children which added to the confusion and reluctance of members to embrace the amendment. Clothing was defined to include: aprons, baby receiving blankets, costumes, diapers, formal wear, garters and garter belts, girdles, pantyhose, and wedding apparel, among other things.



Unlike sales tax holiday legislation ([SB 243](#)) sponsored by Senator Kevin Bacon (R-Minerva) that is pending before the House Finance and Appropriations Committee, the amendment did not include computers and computer software valued at less than \$1000. Companion legislation

to Senator Bacon's bill (HB 450) sponsored by Representative John Patterson (D- Jefferson) is pending before the House Ways and Means Committee.

During floor debate Representative Foley (D-Cleveland) expressed support for the concept of the sales tax holiday but asked if the sponsor of the amendment knew what revenue impact the legislation would have on county government. Representative Foley expressed support for an amendment that would hold counties harmless from revenue losses resulting from the sales tax holiday.

In response Representative Scherer said Senator Bacon's bill had a fiscal impact of \$36 million and that he expected his legislation to have approximately a \$20 million state impact due to the narrower focus that excludes computer equipment.

Representative Anthony Devitas (R – Uniontown) said that while he supports the sales tax holiday concept, he wondered how businesses would be able to track the affected sales for just those three days.

Representative Gerald Stebelton (R-Lancaster) suggested to his colleagues that the proposed amendment had not been properly vetted and deserved additional consideration before the House Finance and Appropriations Committee where SB 243 is pending. SB 243 has had only one hearing (sponsor testimony) before the House Finance and Appropriations Committee. After a short recess during which both parties met in their respective caucuses, Representative Scherer withdrew his amendment.

Reps. Ron Amstutz (R-Wooster), John Patterson (D-Jefferson) and Lynn Wachtmann (R-Napoleon) all relayed their strong support for the sales tax holiday concept and tried to rally its passage. Fortunately the amendment did not survive further scrutiny during the GOP's caucus. When the House returned to session, Rep. Scherer withdrew the amendment and successfully offered another that merely removed the bad debt language.

The bad debt amendment was approved by the Ohio House. It removed a provision to SB 263 that had been adopted by the House Finance and Appropriations Committee which would have permitted vendors and private label credit card companies to deduct sales tax losses from their sales tax payments to the state. The committee amendment was opposed by the Department of Taxation and the Kasich Administration, but supported by the Council of Retail Merchants.

In a fiscal note the Ohio Department of Taxation had projected revenue losses to the state of \$5.6 million per year for bad debt attributable to private label credit cards and up to \$35 million per year if the law was ultimately interpreted to include all credit card uncollectable accounts. Using the estimates provided by the Department of Taxation, CCAO estimated that expanded credit card provisions could have cost counties and transit authorities up \$7.6 million in lost revenue. If the amendment was ultimately applied to installment contract debt of automotive financial services companies, the Department of Taxation estimated an additional \$5.6 million loss to the state and another \$1.3 million to counties. CCAO supported the efforts of the Department of Taxation to remove the private label credit card refund provisions from SB 263.

Speaker Bill Batchelder (R-Medina) said that sales tax holiday legislation was likely to be brought up in the fall. Thus, it is anticipated that discussions on this legislation are likely to intensify this summer and fall.

For additional information regarding sales tax holiday legislation, please contact CCAO staffers Brad Cole at bcole@ccao.org or Cheryl Subler at csubler@ccao.org

MBR changes to mental health and addiction services funds

The conference committee report on [HB 483](#) contains significant policy changes and funding redirection that resulted from a melding of differing priorities initially expressed by the House, Senate and Administration. HB 483 drastically revises the use of ODMHAS's \$47.5 million appropriation for FY 2015 included in the SFY14/15 biennial budget deliberations last year.

[HB 483](#) modifies the \$47.5 million appropriation to GRF line item 507 - 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.

Our county behavioral health boards continually expressed two major concerns with the “re-direction” of this funding:

- Money previously appropriated for FY 15 is being removed from local community control and decision making; and,
- Re-appropriation of the 507 line item will lead to a disruption of service since the provider contracts in place will most likely not be able to be continued by the local boards.

Nonetheless, the conference committee report has taken the \$47.5 million initially appropriated for FY '15 in this biennium budget to the local boards under GRF line item 507 and “re-directed” this funding to be spent by the Department of Mental Health and Addiction Services as follows:

- \$6.5 million for statewide evidence-based prevention resources
- \$7.5 million to expand and improve the Residential State Supplement Program
- \$5 million to expand access to recovery housing
- Requires ODMHAS, when prioritizing recovery housing projects, to prioritize recovery housing projects in underserved areas in addition to areas with no recovery housing options
- \$24.1 million for funding projects that fill gaps in the continuum of care-projects shall be identified in consultation with and may be implemented by the boards except for areas where the Director of OMHAS identifies unmet needs
- \$4.4 million for specialized docket staff
- Requires \$5 million of capital budget appropriated \$15 million to be used to expand access to recovery housing

However, concerns regarding the “re-direction” of funding away from the local boards and to the state are overshadowed by language that will now allow ODMHAS to withhold state funding to

local boards who fail to comply with ODMHAD program requirements. The bill directs the Director of OMHAS to adopt rules to provide for the withholding of state funds from ADAMHS boards that are out of compliance with statutory requirements and establishes a hearing procedure prior to an enforcement action being taken.

Per the process set forth in HB 483, upon notice from OMHAS that the board is out of compliance with the statutory requirements, the board is given 30 days to present its position that it is in compliance with statutory requirements or to submit evidence of corrective action it took to achieve compliance after receiving the notice. After a hearing by OMHAS, if it is determined that compliance has not been achieved, the director of OMHAS may allocate all or part of the withheld funds to a public or private agency, one or more community mental health services providers, or community addiction services providers to provide the community mental health or community addiction service for which the board is not in compliance until the time that there is compliance.

Greater detail on this subject may be obtained by reviewing the [compare doc](#) prepared by the Ohio Association of County Behavioral Health Authorities and [information regarding the funding changes from the Administration's perspective](#), as prepared by the Governor's Office of Health Transformation. Or, contact a member of the CCAO policy team for additional information.

MBR provision aids counties in determining compliance with the county sales and use tax

[HB 483](#) as passed by the General Assembly includes an amendment to ORC Section 5703.21 that would authorize the disclosure of sales and use tax return and audit information to boards of county commissioners to confirm vendor compliance with a county's sales and use tax.

This proposal, put forth by Senator Widener in response to long standing concerns from elected officials in his district, would address questions that have arisen over the years as to whether taxes paid by consumers and businesses are appropriately allocated to the taxing jurisdiction levying the locally enacted sales and use tax.

While CCAO has been a supporter of this provision, the Department of Taxation has not. CCAO has written a [letter to the governor](#) asking him to retain, and not veto, the provision in [HB 483](#) which would codify a review process involving the tax jurisdiction(s) when questions arise regarding tax revenue allocation.

CCAO encourages our commissioners to write to the Governor and urge him to support this provision.

Secretary of State summarizes voting law changes



Secretary of State Jon Husted this week detailed [voting law changes](#) regarding absentee voting and provisional ballots that have been enacted through 3 different pieces of legislation during the 130th General Assembly. The secretary called Ohio "one of the easiest states to vote in the nation, with the safeguards in place to also ensure the integrity of our elections."

Focusing on absentee voting legislation ([SB 238](#)), Mr. Husted indicated that absentee voting will begin the day after the close of voter registration - or Oct. 7 for the November general election and will occur under a uniform schedule proposed by the bipartisan Ohio Association of Election Officials, which will give Ohio voters almost a month of early absentee voting that includes two Saturdays. Even though the legislation eliminated the so-called "Golden Week," where voters could register and cast ballots on the same day, the secretary noted that the early voting period "is well above the national average of 19 days."

Based upon the new rules governing the mailing of unsolicited absentee ballot applications contained in [SB 205](#), which requires the secretary to ensure that all voters are treated equally, the secretary said he will mail all voters with a current address an absentee ballot request shortly after Labor Day with already allocated funding from the federal Help America Vote Act. [SB 216](#), the third piece of new voting legislation, addresses the validation of provisional ballots. The legislation requires that county boards of elections use a new provisional ballot envelope where voters must provide five key pieces of information to ensure the ballot is counted. Those who fail to provide identification on Election Day may return to the board within seven days to show identification and ensure their ballots are counted, the secretary said.

Legislation of Interest



[HCR 58](#) **MUNICIPAL BONDS** ([Sprague, R.](#)) To urge the President and Congress of the United States to preserve the tax-exempt status of municipal bonds.

Upcoming Legislative Committee Calendar



No schedule, the Legislature is on summer break