



STATEHOUSE REPORT

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Compensation bill receives hearings in House Finance

Sponsor testimony as well as testimony from local elected officials supporting legislation to provide salary adjustments to state, county, and township officials was provided in the Ohio House Finance Committee. Officials supporting [House Bill 661](#) are urged to continue to regularly express your support to your lawmakers as well as appreciation for the legislature to act on the matter.

Rep Gerald Stebelton (R-Lancaster) [spoke in favor](#) of [HB 661](#), which is a compilation of proposals, including the one supported by the Ohio Council of County Officials (OCCO) along with proposals from the Ohio Township Association and the Ohio Association of Elections Officials. The OCCO proposal has the unanimous support of all of the county officials' groups, which include Judges, County Commissioners, Prosecutors, Auditors, Treasurers, Clerks of Court, Sheriffs, Coroners, Engineers, and Recorders. Specifically, [HB 661](#) provides the following:

Please contact your legislators & members of House Finance Committee to urge support for [HB 661](#)!

Click here to access [CCAO memo and talking points](#)

- For county elected officials other than judges, a reduction in the number of population pay classes of counties from eight to six. This would modernize the pay structure and provide a modest pay raise for county officials. The structure would be phased-in during 2015-2016. Those officials who are not in-term, such as the county auditors and the commissioners who take office in 2015, would be eligible to receive the change in compensation, while most other county officials would not realize any increase until 2017.
- A traditional cost of living adjustment (COLA) capped at 3 percent and maintained on a permanent basis. For non-judicial, elected county officials the COLA would start in 2017; for judges it would start in 2015.
- In addition, the proposal would provide county boards of elections members a similar class reduction adjustment coupled with COLA beginning in 2017.
- For judges, a 5 percent pay increase in 2015-2018 along with implementation of the COLA. (This increase would be paid by the state.)

- For township trustees and fiscal officers, a nominal one percent increase along with the implementation of the COLA in 2015 followed by a COLA adjustment each year thereafter.
- For legislators and statewide officeholders, a COLA adjustment beginning in 2015 and annually thereafter.
- The cost impact of this proposal on counties would be incremental because of the staggered nature of county elections and constitutional provisions regarding pay increases.

Legislative action is needed yet this year, with an effective date before January 1, 2015, in order for the pay increases for county auditors, one of the three county commissioner positions, state representatives, some state senators, statewide elected officials and board of elections members to begin in 2015. Increases for county prosecutors, treasurers, clerks of courts, sheriffs, coroners, engineers, recorders, and the other two county commissioner spots would not occur until 2017.

The proponents who led the discussions were OCCO President Bryan Long, the Licking County Recorder, Todd Bickle, Clerk of Courts of Muskingum County, Judge John Willamowski of the Third District Court of Appeals, Suzanne Dulaney, Executive Director of CCAO, and Bob Cornwell, executive director of BSSA.

Noting the last such measure to pass the legislature was approved in December, Mr. Long said the inflationary increases in that bill expired in 2008 for most officials and in 2003 for members of county election boards.

"As a result, Ohio elected official compensation is falling below levels necessary to attract and retain the highest quality professionals to important positions in government throughout Ohio. If legislation is not enacted and effective prior to January 1, 2015, non-judicial county elected officials who were elected in November 2014 will not be able to receive a change in their base compensation as they are prohibited from receiving an in-term adjustment," Mr. Long said in [joint testimony](#).

"This means there would be no opportunity to receive an adjustment to compensation until beginning a new term of office in 2019: a total of 10 years from the last cost of living adjustment for some elected officials." The OCCO witnesses said while the state ranks fifth nationally for total revenue, seventh in total population and 11th in per capita revenue, judicial salaries rank 43rd.

Rep Dave Hall (R-Millersburg), posing some friendly questions to the witnesses, noted that the officials couldn't give themselves raises or ask voters to do so, therefore they were reliant on the legislature to take action. He remarked that lawmakers have been "kicking the can down the road" on the issue.

Rep Ross McGregor (R-Springfield) and Rep Vernon Sykes (D-Akron), on the other hand, expressed some healthy skepticism with the proposal. The Republican, noting some levy losses in his district, said voters were sending a clear message by shooting down additional funding requests.

"They think they're paying enough for government right now," he said.

Given the constant struggle of government to "allocate scarce resources," he asked about the funding choice between paving roads, for example, and salary increases.

OCCO representatives said the financial aspects had been vetted and county officials believed they could handle the additional cost. Ms. Dulaney added that the "price tag" issue was fully discussed. The question for policymakers, she said, is how long can the salary for the positions remain at status quo and still be attractive to qualified people at the local level.

Todd Book, director of public policy for the Ohio State Bar Association (OSBA), relayed his group's support for "fair and adequate compensation" for judges. He said the bill would bring Ohio's pay scale in line with similarly situated states and was designed to land in the middle of comparable salary rates.

BSSA's Mr. Cornwell said while sheriffs have seen their pay frozen in recent years, other employees in their offices have received regular increases. As an example, he pointed to Union County Sheriff Jamie Patton, who is now the third-lowest paid peace officer in the county sheriff's office. If reelected in 2017 he would be the lowest-paid peace officer, Mr. Cornwell said.

Responding to a question from Rep Denise Driehaus (D-Cincinnati), the witness said Sheriff Patton makes \$59,000 in salary and the lowest-paid sheriffs in the state make \$53,000. In further defense of the measure, Rep. Hall said he had done some math and the bill would cost a smaller county roughly 0.7% of its annual spending. "That's a very small piece of the budget," he said.

[HB 661](#) has some clear supporters in the legislature, as evidenced by some of the comments aired Wednesday. Still, Senate President Keith Faber (R-Celina) said to the press this week that he doesn't see sufficient support among his members for a legislative pay raise, according to Gongwer News Service.

"People are very concerned about being perceived of giving themselves, or their cronies, or their friends some kind of pay advantage," Senator Faber said, reiterating his support for a constitutional pay commission.

"I would be the first to tell you that I think judges and prosecutors and sheriffs probably need a pay raise," Sen. Faber said. However, he isn't sure that is true for every other level of elected official.

Most importantly, CCAO is asking members to talk with their legislators about [HB 661](#) and encourage their support for the measure. Because the bill needs to be in effect before January 1, 2015, an emergency clause is included in the bill, which requires more support in the General Assembly. In addition, please contact members of the House Finance Committee and urge their support as well!

After you've talked with your legislators, please contact Subler or Leutz at CCAO to let us know how your conversations went. Either call or text their cells at 614-746-8507 (Subler) and 614-299-2800 (Leutz).

CCAO expresses concerns on sales tax holiday legislation

CCAO Staffer Brad Cole provided [opposition testimony](#) before the House Finance and Appropriations Committee on [SB 243](#) which would establish a three day sales tax holiday to commence on the first Friday in August of each year.

The sales tax holiday would apply to clothing up to \$100, school supplies up to \$20 per item, school instructional materials up to \$20, personal computers up to \$1000, and computer supplies up to \$750. The bill would waive all state, county and transit authority sales taxes on the aforementioned goods during the three day sales tax holiday.

In his testimony, Cole referenced an Ohio Legislative Service Commission [fiscal note](#) that indicates a potential revenue loss of \$37 million per year to the state general revenue fund, \$9 million to counties and transit authorities, and an additional loss of \$1 million to the Local Government Fund and the Public Library Fund.



*Rep. Ron Amstutz, Chair,
House Finance Committee*

Cole said that declining investment income on county investments, weakness in real estate related revenue sources, and cuts to intergovernmental revenue sharing (local government fund and tangible personal property tax reimbursement) have resulted in an increasing reliance on the county sales and use tax as one of the few bright spots in an otherwise challenging fiscal picture.

Cole also noted that during the current biennium the state sales tax has become the number one revenue source for the state general revenue fund displacing the state personal income tax which had long been the state's primary general fund revenue source. Cole questioned how SB 243 which establishes additional exemptions to the sales tax law could be reconciled with an administration policy of eliminating exemptions and broadening the sales tax base.

The testimony also highlighted that sales tax holiday legislation runs counter to recent state efforts to simplify sales tax administration, and improve equity and the administrative efficiency of the sales tax law.

If the General Assembly decides to proceed with the legislation, CCAO recommended that the legislature adopt three amendments which would: 1) Establish the sales tax holiday as a pilot limited to one year; 2) Require the Department of Taxation to conduct a study to determine the fiscal impact of the legislation on state and local government revenues, and changes in consumer behavior as indicated by actual sales tax collections; and 3) Reimburse counties and transit authorities for any lost revenues based on the tax department study.

For additional information, please contact CCAO Staffer Brad Cole at bcole@ccao.org.

'DataOhio' initiatives clear House, move to Senate

Measures jointly sponsored by Representatives Mike Duffey (R-Worthington) and Christina Hagan (R-Alliance) aimed at making public information more readily available across political subdivisions passed the House unanimously.

[House Bill 324](#), which was amended by the House Finance and Appropriations Committee earlier in the week to include House Bills 321, 322 and 323 – all parts of the “DataOhio” initiative – now moves to the Senate for consideration.

CCAO has been in discussions with Representatives Duffey and Hagan for some time on the proposals and will continue to work toward promoting clarity within the proposals, and appreciates the sponsors’ willingness to continue such discussions.



Rep. Duffey



Rep. Hagan

The bill touches on online public records, uniform accounting procedures and charts of accounts, the creation of a Data Ohio board and statewide catalogue of public records, and local government information exchange grants. Provisions include:

- A requirement that a public office that posts a public record on its website, or on a public website maintained or authorized by the state, to make its best efforts to post the record in an open format – meaning that the public record or the data it contains is capable of being searched, viewed, and downloaded by the public, and is in a format that is machine readable.
 - While the bill does not require a public office to post public records online, it does require a public office that does post records online to include in its public records policy a statement indicating which public records are posted online and also to submit that information to the state.
- Requiring the Auditor of State to create uniform accounting procedures and a uniform chart of accounts that public offices may use. While there is no requirement that public offices use such tools, the bill does require the Auditor of State to submit to the legislature draft legislation that would require such.
- Creation of a local government information exchange grant program, which would provide a \$10,000 grant to local governments for purposes of alleviating the administrative burden of posting records in an online open data format.
 - HB 324 was amended by the House Finance committee to remove the appropriation to fund such grants, so the matter of an appropriation to fund the grant program, if the bill is enacted yet this year, will need to be considered in the upcoming legislative session.

For additional information, please contact Cheryl Subler at csubler@ccao.org or Laura Abu-Absi at labu-absi@ccao.org.

Sub House Bill 490 – Agriculture and Natural Resources MBR passes the House

New algae related proposals were added this week to the [Substitute HB 490](#) before it was passed by the full House of Representatives by a margin of 71-18. The new algae-related provisions addresses livestock manure, dredging and wastewater treatment plants were part of a larger ominous amendment that came together at the last minute.

In an interview with Gongwer News, Chairman Hall (R-Millersburg) said support of the proposed manure and fertilizer restrictions from the agriculture lobby was "a big win" that allowed the committee to make progress on the issue of toxic algal blooms, which have increasingly posed problems in western Lake Erie in recent years. "Those three amendments were a vision we worked hand in hand with the administration to get the process moving forward," said Rep. Hall.



Chairman Dave Hall

Livestock operations are considered a major contributor to phosphorus runoff that feeds toxic algae. Environmental groups have long called for banning the application of manure to frozen farm fields when it is most likely to get washed into nearby rivers and streams. A proposal to ban manure and chemical fertilizer application on frozen ground was included in the omnibus amendment, albeit with several caveats. The prohibition applies to the Western Lake Erie Basin on snow-covered or frozen ground, when the top two inches of soil are saturated or when the local weather forecast predicts heavy precipitation. However, manure applications that are injected into the ground, quickly incorporated or applied to cover crops would be exempt, the bill says. Farmers could also get written approval from chief of the division of soil and water resources in case of an emergency.

The amended legislation would also impose new regulations on dredging in Lake Erie and its tributaries, which scientists say stirs up contaminated sediments that foster toxic algal blooms. Earlier this year the state rejected the U.S. Army Corps of Engineers' proposal to dump dredging material in the open lake. The revised bill would prohibit the dumping dredging material after July 1, 2020 in the portion of Lake Erie and its tributaries over which the state has jurisdiction without approval from the director of the Ohio Environmental Protection Agency.

The bill specifies certain conditions for which dredging material could be dumped:

- Confined disposal facilities.
- Beneficial use projects.
- Beach nourishment projects if at least 80% of the material is sand.
- Placement in the littoral drift if at least 60% of the dredged material is sand.
- Habitat restoration projects.
- Projects involving amounts of dredged material that do not exceed 10,000 cubic yards.

The legislation would also require large public wastewater treatment facilities to monitor the levels of total and dissolved phosphorous in their discharge once a month.

Telecommunications amendment:

The MBR also carries a controversial telecommunications amendment to deregulate local telephone companies. The proposal clears the way to further deregulate telephone companies by freeing them from a requirement to provide basic local service - a move that would be dependent on the Federal Communications Commission taking action to transition to an all Internet provider system. Many are still concerned rural and elderly Ohioans could be left without a viable option.

The new amendment also includes a "failsafe mechanism" that would authorize the PUCO to order a carrier to provide voice service for up to two years to any customer deemed unable to obtain alternative service if their landline would be withdrawn. It remains unclear with those changes are sufficient to temper Gov. Kasich's threat to veto the bill.

After being voted out of the House, the bill quickly headed to the Senate, where it has already had its first hearing in the Senate Agriculture Committee. The Senate committee will continue to hear testimony next Tuesday, November 25th, with committee vote on the bill planned after Thanksgiving break. For additional information on Sub HB 490 please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

Legislation of Interest



SHB 669 **STARTUP PROGRAM** (Stinziano, M.) To establish the Startup Ohio initiative in which universities and partnering business may collaborate in tax-free areas near campuses in this state to create jobs, attract entrepreneurs, and spur academic enrichment and to direct the Director of Budget and Management to transfer \$100 million to the Ohio Venture Capital Program Fund. Am. 150.03, 322.02, 5739.02, 5739.03, 5747.01, and 5751.01 and to enact sections 195.01 to 195.14 and 5709.071

HB 671 **TAX CREDITS** (Schuring, K.) To require the Department of Taxation to conduct a one-time cost-benefit analysis of all existing tax credits, to appropriate \$200,000 for that purpose, and to require that, before a new tax credit may be enacted, the Department must conduct a cost-benefit analysis of the proposed credit. Am. 5703.95

SB 388 **PHOTO MONITORING** (Bacon, K.) To establish conditions for the use by local authorities of traffic law photo-monitoring devices to detect certain traffic law violations. Am. 1901.20, 4511.094, and 4511.751; to amend, for the purpose of adopting a new section number as indicated in parentheses, section 4511.093 (4511.092); to enact new section 4511.093 and sections 4511.095, 4511.096, 4511.097, 4511.098, 4511.099, 4511.0910, 4511.0911, and 4511.0912; and to repeal section 4511.092

SB 389 **MENTAL HEALTH TREATMENT** (Beagle, B.) Regarding minors and outpatient mental health treatment. Am. 3109.051, 3109.11, 3109.12, and 5122.04 and to enact section 5122.041

SCR 44 **ENERGY INFORMATION** (Kearney, E.) To urge specific electric and gas utilities in Ohio to provide individualized energy usage information to each of its residential customers

Hearing Schedule

Monday, November 24

Senate Agriculture, (Chr. Hite, C., 466-8150), South Hearing Rm., 9:00 am

Witness panel with Ohio EPA Director Butler, Ohio Department of Agriculture Director Daniels and Ohio DNR Director Zehringer

HB 490 **MBR ENVIRONMENT** (Hall, D., Thompson, A.) To revise certain laws governing agriculture, natural resources, environmental protection, telecommunications, video lottery terminals, and driver's licenses. --Informal hearing -- Witness panel including Ohio EPA Director Butler, Ohio Department of Agriculture Director Daniels and Ohio DNR Director Zehringer