



STATEHOUSE REPORT

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Possible competition for casino dollars...will county revenues further decline?

Last week's [Statehouse Report](#) described how casino revenue to counties has not lived up to promises, and news this week causes more concern as charitable games of chance will be made installed this fall in about 200 veterans posts and fraternal lodges, with those revenues going to the state and posts/lodges that operate the machines.

As you may recall from last week, distributions made to the counties (excluding the portion allocated to the eight largest cities) by the Ohio Department of Taxation (for casino tax revenue received for the three previous months prior to the distribution) totaled: \$27.6 million in July 2013; \$27.5 million in September 2013; \$26.8 million in January 2014; and \$25.9 million in April 2014, for a total of \$107.8 million. The July 2014 distribution being made last week was \$26.6 million.



In September, approximately 700 next-generation machines will be installed in posts and lodges, with each location allowed to have up to five machines provided by the Ohio Lottery Commission at no charge.

At the same time, many other posts and lodges will stick with their existing electronic raffle machines. Attorney General Mike DeWine declared those to be illegal gambling devices last year, but a lawsuit filed by the Ohio Veterans and Fraternal Charitable Coalition resulted in a court order preventing the state from shutting them down. The case is pending.

Bill Seagraves, executive director of the coalition, said the existing raffle machines have raised nearly \$9.4 million for veterans and charities. "We don't have any objections to their machines," Seagraves said. "We just want to be able to keep ours." It appears that organizations could choose either system or both of them.

The state Controlling Board voted unanimously this year to allow the Lottery Commission to spend \$22.5 million to buy 1,200 machines from Intralot, the state's Greece-based supplier of lottery games and software. Intralot will get \$3 million for servicing the machines, on top of the original purchase price.

After winners are paid, the state will receive 60 percent of the proceeds. The state's take is projected at \$10 million a year, most of it earmarked for K-12 education.

The other 40 percent, projected at \$7 million, will be dispersed to posts and lodges to cover their operating expenses and to make charitable donations.

The lottery said the payout rate per machine is 85 to 90 percent.

The machines are expected to be in operation before October. So time will tell the impact this will have on Ohio's four casinos and the revenue that is shared with counties. If you have any questions about casino revenues, please contact CCAO Staffer John Leutz at jleutz@ccao.org.

Feedback Requested –Behavioral Health Needs in your Community

The Ohio Department of Mental Health and Addiction Services is asking for input on how to improve the behavioral health system in Ohio. By taking 10 minutes to share your thoughts and ideas about addressing the needs of Ohioans with mental health and/or substance abuse challenges, you will be contributing to the department's understanding of community needs across Ohio. Information on gaps in services gathered through this survey may be used to inform funding decisions in FY 15, as well as the FY 16-17 biennium.

CCAO encourages county commissioners, executives and council members to take the time to share with the department which behavioral health needs are most pressing in your counties. **The survey deadline is July 30th.**

Click [here](#) for the survey.

Sewer connection rule update ... and what is JCARR?

The Ohio Department of Health (ODH) is still reviewing its proposed administrative rules to regulate Household Sewer Treatment Systems (septic systems). Last week's [Statehouse Report](#) explained the department will soon be filing its long anticipated septic system rule package it has worked on for many years; however, the package has been slightly delayed while the department determines whether to incorporate a new concept that would allow certain homeowners to opt out of being required to connect to a central sewer.

Specifically, ODH was contacted by several stakeholders who represent homeowners and farmers regarding existing administrative rule [OAC 3701-29-02\(M\)](#) that requires a home to connect to public/private sewers when a central sewer becomes accessible. These stakeholders expressed concern about requiring homeowners to connect to public/private sewers when their existing sewage treatment system is operational and not creating a public health nuisance. They have requested that these systems be exempted from connection until the system fails, or until these systems otherwise required by law to connect to sewers. This proposal would not apply to cases where findings and orders are issued to connect to a central sewer by EPA or other circumstances which the law mandates a connection.



ODH is considering this request and has prepared the attached rule language that would replace proposed paragraph OAC 3701-29-06 (I) in the third rule draft. (Click [here](#) for the new opt-out proposal.) CCAO is working with ODH and other stakeholders to educate the department about our concerns with this proposed rule, including the following:

- The “Opt-Out” rule would make the financing of a public sewer more difficult.
- Important projects that promote the public's health and the protection of our rivers and streams could be jeopardized and may not be constructed.
- Without the guaranteed revenue stream of all of the existing homes and their ordered connections, the construction costs of building a public sewer would be difficult to allocate.

ODH has not formally filed their administrative rule package with JCARR. Thirty days after the rules have been submitted, ODH will hold a public hearing on the proposed rules. After the department holds its public hearing, JCARR will hold its hearing to approve the rules.

What is JCARR?

The Joint Committee on Agency Rule Review (JCARR) was created in 1977 by the Ohio General Assembly. JCARR consists of five State Representatives and five State Senators. JCARR's primary function is to review proposed, new, amended, and rescinded administrative rules from over 120 agencies to ensure they do not exceed their rule-making authority granted to them by the General Assembly. Administrative rules are known formally as the Ohio Administrative Code (OAC). For more information on JCARR please visit their [website](#).

For additional information on ODH Sewer Connection Rules, and if you have any specific comments on the impact of the proposed rule, please contact CCAO staffer Brian Mead at bmead@ccao.org or 614-220-7982.

Legislation of Interest

[HB 594 CRYSTALLINE ALCOHOL](#) ([Gerberry, R.](#), [Bushy, J.](#)) To prohibit the sale or offering for sale for human consumption of powdered or crystalline alcohol. En. 4301.71.

[HB 595 JUDGESHIP](#) ([Brenner, A.](#), [Ruhl, M.](#)) To create a domestic relations division of the Delaware County Court of Common Pleas and to create a judgeship for that division. Am. 2151.07, 2301.02, and 2301.03.

Upcoming Legislative Committee Calendar

Monday, July 21

[Joint Committee on Agency Rule Review](#) ([Committee Record](#))

(Chr. [Peterson, B.](#), 466-4086), Senate Finance Hearing Rm., 1:30 pm

Tuesday, July 29

[Senate Agriculture](#), [House Agriculture & Natural Resources](#) (Chr. [Hite, C.](#), 466-8150; Chr. [Hall, D.](#), 466-2994),

Donahey Nationwide Ag./Hort. Building, Ohio State Fairgrounds, 10:30 am

- Presentations by Chairman Tom Price, Ohio Expositions Commission; Virgil Strickler, Ohio State Fair; Director Dave Daniels, Ohio Department of Agriculture; Director Jim Zehringer, Ohio Department of Natural Resources; Executive Director Kirk Meritt, Ohio Soybean Council; President Jack Fisher, Ohio Farm Bureau Federation; Dean Bruce McPheron, Ph. D., The Ohio State University College of Food, Agriculture and Environmental Sciences; Ohio State Fair Junior Fair Board Members and FFA Students
- Pre-committee program with All-State Choir begins at 10:15