



STATEHOUSE REPORT

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209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

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Senate passes budget bill

Recorders' special fund mandate, request for LGF funding, Governor's severance tax proposal, CDJFS program transition, multi-year dog registration, court reporter transcript costs, and lodging tax headline CCAO's conference committee issues

The Senate moved its version of the budget bill on a party line vote Thursday following the acceptance of an omnibus amendment and subsequent passage by the Senate Finance Committee earlier in the week. The move sets up a conference committee with the House to work out the differences in the two chambers' respective measures.

CCAO continues to ask county commissioners, council members, and executives to continue their lobbying efforts with their respective legislators regarding the association's priority funding and policy issues.

With regards to funding priorities, while stakeholders, including CCAO, are hopeful for additional appropriations as revised revenue estimates are made public during the conference committee, Senate Finance Committee Chairman Scott Oelslager (R- North Canton) said if more revenue becomes available, it would likely be earmarked for the GOP's major priorities of education and improving the state's tax climate (income tax cuts). The Chairman's comments cast doubt on the likelihood of funding for the partial Local Government Fund restoration advocated for by CCAO as well as the County Auditors Association, nevertheless, we continue advocating for our other priority funding issues; a separate appropriation for the hold harmless LGF provision and additional funding to help the county JFS agencies' manage the implementation of the new MAGI system.

Conference Committee

Priority Issues:

- **Recorders' Special Fund Mandate**
- **LGF Funding**
- **CDJFS Funding for IT System Transition**
- **Multi-year dog registrations**
- **Court reporter transcript costs**
- **Cap on Lodging Tax administration fees**

Specifically, CCAO continues opposing the provision enabling a county recorder to request a mandatory special fund. Such provision, requested by the county recorders' association, was added to the budget bill while pending in the Ohio House. The Senate leadership, recognizing the strong opposition from CCAO and steadfast support from recorders, attempted to forge a compromise that was included in the omnibus budget amendment. The provision would lock in or "grandfather" any current allocation of recorders fees to the recorders equipment fund (renamed the recorder's technology fund) for a period of five years (calendar fiscal years 2014-18). The language also would require a mandated bump of up to \$3 to be directed to the recorders technology fund from the general fund during the same five year period if requested by the county recorder on an annual basis; however the sum of such allocations could not exceed eight dollars. If the sum of the grandfathered distribution and the mandatory up to \$3 bump is less than eight dollars, a county recorder, similar to current law, could request an additional allocation up to the \$8 cap for a period of up to five years, but this would remain a permissive request to the board of county commissioners. Beginning January 2019, all requests return to their current permissive nature.

In addition, the attempted compromise includes three items that commissioners have repeatedly requested with regards to special funds: 1) Language restricting the ability of salaries (for personnel tied directly to the technology) paid out of the fund to exceed the aggregate salary line item established by commissioners; 2) Authority for the commissioners to transfer monies from the special fund to the county general fund should the county be in fiscal caution, fiscal watch, or fiscal emergency; and 3) A requirement that the county recorder training be paid out of the special fund, if the special fund has been established.

The county recorders' association had repeatedly advocated to include language that would have prohibited the board of commissioners from diminishing any general fund support for their office should the special fund have been created. CCAO strenuously opposed this maintenance of effort or supplanting provision as a terrible precedent with regard to special funds in general and an attempt to establish a new arbitrary funding standard that would likely lead to costly litigation. This provision was not included in the Senate language.

The county recorders' association has expressed its opposition to the proposal because of the lack of a supplanting clause. On Thursday, the CCAO Board of Directors also chose to oppose the Senate's attempted compromise. CCAO urges members to continue to share their opposition to a new mandatory recorders special fund with legislators as the matter heads to conference committee for consideration.

In addition to the recorders special fund, the Senate bill includes a provision that requires counties to offer one or three year, or permanent dog registrations. The Board opposes this provision as well as language that attempts to undo reforms CCAO, the Ohio Prosecuting Attorneys Association (OPAA), the Public Defender Commission, and others put in place during the last General Assembly that restructured how court reporters are paid for transcripts. Finally, the Board voted to oppose a Senate provision that would cap the percentage of funds counties are able to retain for administering the lodging tax. Please see the bullets below for additional information on these provisions.

In an unexpected development this week, the Administration is renewing efforts to include a severance tax proposal within the budget, by recommending inclusion during conference committee deliberations. To garner support for the proposal, the Administration is proposing that 25% of the severance tax revenues be shared with impacted local governments. Details as to how and by whom the revenues are distributed amongst impacted local governments may not be finalized during the upcoming budget deliberations. While, CCAO has reiterated its support

for the severance tax with revenues shared among impacted local governments, our support is conditioned that we have a “seat at the table” as the details are filled in later. We also support a direct and efficient manner for the monies to be given to local jurisdictions, such as a community development block grant model with funds coming to counties for distribution to local jurisdictions. The association does not support funds going through port authorities or local development districts for distribution purposes.

Other provisions within the omnibus amendment of interest include the following:

General Government

- **Open Meetings Law Exceptions** – Permits a public body subject to the Open Meetings Law to hold an executive session to consider the terms of an application for economic assistance to be provided or administered by a local government. Such local governments include legislative authorities of counties, municipal corporations and townships and may involve assistance provided through an enterprise zone, community reinvestment area, tax increment financing, or a joint economic development district (JEDD).
- **Contract w/ Sheriff for Dog Warden Services**- Authorizes a board of county commissioners, in lieu of appointing and employing a county dog warden and deputies, to appoint the county sheriff to enforce the laws governing dogs and prohibiting cruelty to animals. Requires the board, if it chooses to appoint the sheriff, to enter into a two-year written agreement with the sheriff for the purpose of enforcing the laws governing dogs and prohibiting cruelty to animals, and specifies that an agreement may authorize both of the following: (1) The sheriff to appoint sheriff's deputies or persons other than peace officers as deputy dog wardens; and (2) The transfer of any benefits accrued by employees who are transferred as a result of the county sheriff's being appointed as the county dog warden.
- **Dog Registrations**- Provides that an individual to register a dog for a period of one year or three years or register the dog permanently rather than requiring registration for a period of one year, three years, or five years as in the bill and annually as in current law, and makes conforming changes. Establishes a \$20 fee for permanent registration. Requires that any dog registration fee increase adopted by a board of county commissioners for a permanent registration be in the ratio of two dollars for such a registration

Public Safety and Criminal Justice

- **Court Reporter Transcript Costs**- The Revised Code was amended in 2012, by House Bill [487](#). The changes in that bill were an attempt to modernize this section of the Code, which had not been amended since 1953, and to bring some uniformity to the pricing system, by referring to the rate charged under Ohio's public records law. Prosecutor and public defender offices have realized significant cost savings under the current law.

This amendment will undo both the modernization and a large part of the cost savings. CCAO, the Ohio Prosecuting Attorneys Association and the Office of the State Public Defender oppose amendment SC3759.

Tax Issues

- **Extension of Time for Entering Impact Facility Agreement** – Extends from June 1, 2007, to June 1, 2015, the date by which a county and a business may enter into an agreement under which the business agrees to construct a retail “impact facility” in the county and the county agrees to give to the business up to 75% of the revenue from certain county sales taxes collected on retail sales made at the facility to reimburse the business for its “qualifying investment” in the facility. In addition to extending the time period for such transactions, the amendment lowers the investment requirement of existing law from \$50 million to \$30 million and decreases the area in which at least 50% of the facility’s expected customers must live to 50 miles distant (existing law is 100 miles.)
- **Allocation of Lodging Taxes to Convention and Visitors’ Bureaus** – Limits the amount of county lodging tax revenues that the county may retain for administrative purposes to 3% of the first \$500,000 distributed to the convention and visitors’ bureau and 1.5% of any amount above \$500,000. Counties are responsible for administering the county lodging tax and currently the law places no limitation on the amount that the county may retain for purposes of administering the tax. Counties that retain more than 3% of the county lodging tax will have less money to use to administer the tax under this amendment.
- **Community Reinvestment Areas (CRA)** - Clarifies the types of amendments that, if made to a community reinvestment area (CRA) ordinance or resolution adopted before July 22, 1994 that cause the CRA to lose its grandfathered status and become subject to S.B. 19's requirements and limitations (e.g., notifications and compensation of school districts). Such amendments would include any that: modify eligibility requirements for receiving CRA tax exemptions, increase the geographic size of a CRA, the percentage of assessed value of CRA property to be exempt, the term of any tax exemption or authorized category of tax exemptions, or the duration of a CRA. Clarifies that the amendment does not authorize a municipal corporation to decrease or increase the percentage of assessed value of grandfathered CRA property to be exempt. (Municipal corporations were and are allowed to exempt only 100% of property located in a grandfathered CRA.)
- **Motor Fuel Receipts Tax** – Beginning July 1, 2014, replaces the commercial activity tax (CAT) on receipts from the sale or exchange of motor fuel with a separate tax (the motor fuel receipts tax) that is modeled on the CAT and is based solely on receipts from such sales and exchanges. Establishes the tax at a rate of .65% instead of .26% for the CAT and like the CAT requires suppliers to pay the tax on a quarterly basis. Requires revenue raised from this tax on the sale of motor fuel to be used on public highways for public highway purposes.

Health and Human Services

- **Medicaid Reform/Expansion** - Removes the House-added provision that would have required the introduction of legislation in the House to reform Medicaid and Ohio’s health care delivery system, citing in the synopsis that stand alone legislation has already been introduced.

- **County Homes** - Makes various changes to the laws governing nursing facilities, and provides programming and funding for nursing facility technical assistance to help a facility avoid having its Medicaid participation terminated. (Quality incentive funding for skilled nursing facility Medicaid reimbursement is still maintained.)
- **Adult Protective Services** - Provides an additional \$133,997 per fiscal year to the Adult Protective Services line item (600534), bringing the total statewide allocation to \$500,000/year.
- **Public Health**
 - Makes a current provision of the bill permissive, rather than mandatory, on the Ohio Department of Health (ODH) to provide financial and technical assistance to local boards of health to encourage shared services.
 - Requires local health districts to apply for accreditation by July 1, 2018 and be accredited by July 1, 2020, by an accreditation body approved by the ODH director. Also requires ODH to conduct an evaluation of general and city health district preparation for accreditation, including an evaluation of each districts reported public health quality indicators, which are to be identified in conjunction with the Assoc. of Ohio Health Commissioners.
 - Removes from the bill a provision that reestablished the Legislative Committee on Public Health Futures (on which CCAO would have had a representative).
 - Specifies that continuing education for members of boards of health must pertain to ethics, public health principals, and a member's responsibilities.

Transportation Issues

- **Transportation Improvement District** - Permits a Transportation Improvement District (TID) to enter into an agreement and undertake a project that is located wholly or partially in an adjacent county other than the county that created the TID provided that the board of county commissioners of the county that created the TID also enters into the agreement.
- **County Bridge Program** – Requires the ODOT Director to establish a county bridge assistance program within 90 days of the effective date of this amendment. The program may include monetary and other resources and must address infrastructure needs including bridge including bridge embankments and drainage bridge repair.
- **School District Motor Fuel Tax Reimbursement** – Increases the motor fuel tax reimbursement for school districts and educational service centers from 6 cents per gallon to 10 cents per gallon. This will result in a loss of gas tax revenue for the state and other local governments that receive a portion of the gas tax revenue.

Agriculture and Environment

- **Wind Turbine Setback** - Changes the minimum horizontal distance setback for new wind turbine (50 MW or above) projects from 750 ft to 1125 ft.
- **TENORM** - Makes changes to the bill's provisions regarding technologically enhanced naturally occurring radioactive material and brine disposal. Provides for testing of such materials before disposal via solid waste facilities, injections wells, or beneficial uses.

Again, CCAO offers appreciation and asks for the continued efforts of county commissioners, executives, and council members in advocating with your respective senators and representatives on our priority issues; the recorders' special fund mandate, additional LGF funding, the Governor's severance tax proposal, additional funding to assist county JFS agencies implement and manage the MAGI program as it runs alongside CRIS-E next year, court reporter transcript costs, the lodging tax administrative cap, and multi-year dog registrations.

For information on any of these issues or other budget concerns, please don't hesitate to contact CCAO Policy staff at (614) 221-5627.

Budget amendment caps county lodging tax admin funds

Counties to lose revenue to administer and enforce tax

Under a budget amendment approved by the Senate Finance Committee, counties stand to lose administrative funds used by counties to enforce and administer the county lodging tax. Under existing law counties may levy up to a 3% lodging tax and, after deducting the real and actual cost of administering the tax, distribute at least 2/3 of the revenue to a convention and visitors' bureau within the county and distribute up to 1/3 to the municipal corporation or township in which the place of lodging is located.

The amendment would limit county administrative funds to 3% of the total revenue collected on the first \$500,000 of revenue, and 1 ½% on any amount exceeding \$500,000. CCAO is concerned that certain counties, particularly smaller counties may require higher percentage rates for administration of the tax due to lower revenue collections and the lack of the economies of scale that larger counties might experience in the collection of the tax. Such counties would see significant reductions in revenue needed to assure proper enforcement and administration of the tax. The amendment also appears to target county lodging taxes while excluding municipal and township lodging taxes from the same provisions under the same section of the law.

CCAO is working with the County Auditor's Association of Ohio (CAAO) which is surveying county auditors regarding the cost of administering the lodging tax. CCAO will ask that this language be removed from the bill so as to give interested parties time to better understand the issue and develop a more appropriate and measured response to this issue.

For more information on this issue, contact CCAO Managing Director of Research Brad Cole at bcole@ccao.org or by calling (614) 220-7981.

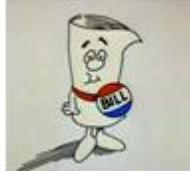
Statehouse Etcetera



- **House Indigent Defense bill introduced.** Representatives Terry Boose (R- Norwalk, former Huron County Commissioner) and Ron Gerberry (D-Canfield) introduced [HB 186](#) this week. [HB 186](#), a companion bill to [SB 139](#) (Uecker, R-Loveland) which would transfer the responsibility to provide indigent defense from the counties to the state. Co-

sponsors include the following: Representatives Michael Ashford (D- Toledo), Terry Blair (R-Centerville), former Wood County Commissioner Tim Brown (R- Bowling Green), Jim Buchy (R- Greenville), Cheryl Grossman (R- Grove City), former Muskingum County Commissioner Brian Hill (R- Zanesville), John Rogers (D- Mentor-on-the-Lake), Margaret Ann Ruhl (R- Mt. Vernon), and Gerald Stebelton (R- Lancaster).

Legislation of Interest



HB 186 **INDIGENT DEFENSE (Boose, T.)** To provide a 50 per cent reimbursement to the counties for their indigent defense costs, to increase the guaranteed reimbursement rate for such indigent defense costs, to require the State Public Defender to approve the establishment of county public defender commissions, to approve the appointment or retention of the county public defender, and to set a statewide schedule of hourly rates and per case maximums to be paid to appointed counsel, to eliminate the option for a county to operate a joint-county public defender system, to permit the State Public Defender to create state-run regional and district offices that would operate in lieu of the county-run systems, to allow the State Public Defender to use the Indigent Defense Support Fund to pay the state's portion of costs for the regional and district offices, to provide that the Governor's next appointment to the Ohio Public Defender Commission be from a list of nominees submitted by the County Commissioners Association of Ohio, and to allow the State Public Defender to contract directly with a municipal corporation to provide representation in municipal ordinance cases. Am. 120.01, 120.03, 120.04, 120.06, 120.08, 120.13, 120.14, 120.15, 120.16, 120.18, 120.23, 120.33, 120.34, 120.35, 120.36, 120.40, 307.441, 2941.51, 2945.37, 2945.40, and 2953.21 and to repeal sections 120.24, 120.25, 120.26, 120.27, and 120.28

HB 187 **SHERIFF REQUIREMENTS (Gerberry, R.)** To change the education and experience requirements necessary for eligibility to be a candidate for the office of sheriff. Am. 311.01

HB 190 **PREVAILING WAGE (Hood, R.)** To increase the threshold to trigger the requirement that prevailing wage be paid for work on vertical public improvement projects and to allow political subdivisions and state institutions of higher education to elect whether to be subject to the Prevailing Wage Law for a public improvement project. Am. 164.07, 307.022, 307.671, 307.673, 307.674, 307.696, 351.06, 1506.44, 1710.02, 4115.03, 4115.034, 4115.04, 4115.06, 4115.09, 4115.10, 4115.133, 5540.03, 6117.012, and 6121.06

HB 198 **INCENTIVE DISTRICTS (Butler, J.)** To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to provide notice to the record owner of each parcel within the proposed incentive district before adopting the TIF resolution, and to permit such owners to exclude their parcels from the incentive district by submitting a written response. Am. 5709.40, 5709.73, 5709.78, and 5709.911

Upcoming Legislative Committee Calendar



Tuesday, June 11

Senate Agriculture, (Chr. Hite, C., 466-8150), South Hearing Rm., 10:00 am

- **1st Hearing-Sponsor & Proponent on bill from Sens. Hite & Peterson on agriculture nutrient management**

House Transportation, Public Safety & Homeland Security, (Chr. Damschroder, R., 466-1374), Rm. 122, 1:30 pm

HB 187 SHERIFF REQUIREMENTS (Gerberry, R.) To change the education and experience requirements necessary for eligibility to be a candidate for the office of sheriff. --**1st Hearing-Sponsor**

House Manufacturing & Workforce Development, (Chr. Schuring, K., 752-2438), Rm. 114, 1:30 pm

SB 1 WORKFORCE DEVELOPMENT (Beagle, B., Balderson, T.) To create the OhioMeansJobs Workforce Development Revolving Loan Fund, to create the OhioMeansJobs Workforce Development Revolving Loan Program, to allocate a portion of casino license fees to finance the loan program, and to make an appropriation. --**4th Hearing-All testimony**

House State & Local Government, (Chr. Blair, T., 466-6504), Rm. 121, 3:00 pm

HB 175 GOVERNMENT SPENDING (Dovilla, M.) To require the Treasurer of the State to establish the Ohio State Government Expenditure Database. --**1st Hearing-Sponsor**

HB 118 BOND ISSUES (Roegner, K.) To revise the ballot language requirements for bond issues. --**2nd Hearing-Proponent**

Senate Workforce & Economic Development, (Chr. Beagle, B., 466-6247), North Hearing Rm., 4:00 pm

HB 1 WORKFORCE DEVELOPMENT (Derickson, T.) To require a local workforce investment area to use OhioMeansJobs as the local workforce investment area's job placement system, to rename county one-stop systems, and to make other changes to Ohio's Workforce Development Law. --**1st Hearing-All testimony-Possible amendments & vote**

HB 2 UNEMPLOYMENT COMPENSATION (Derickson, T.) To require an unemployment compensation claimant to register with OhioMeansJobs to be eligible for unemployment compensation benefits and to require a claimant to contact a local one-stop office beginning with the eighth week of filing for unemployment compensation benefits. --**1st Hearing-Sponsor & proponent**

Wednesday, June 12

Senate Commerce & Labor, (Chr. Bacon, K., 466-8064), North Hearing Rm., 9:15 am

HB 37 SHAREDWORK OHIO (Duffey, M.) To create the Sharedwork Ohio Program and to declare an emergency. --**1st Hearing-Sponsor**

SB 65 COLLECTIVE BARGAINING (Turner, N.) To eliminate an exemption from the Public Employees' Collective Bargaining Law for specific educational employees. --**1st Hearing-Sponsor**

Senate Session, (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 pm

House Session, (Chr. Batchelder, B., 466-3357), House Chamber, 1:30 pm

House Ways & Means, (Chr. Beck, P., 644-6027), Rm. 116, 3:00 pm or after session

HB 24 TAX EXPENDITURES (Boose, T.) To create a Tax Expenditure Review Committee for the purpose of periodically reviewing existing and proposed tax expenditures. --**1st Hearing-Sponsor**

House Commerce, Labor & Technology, (Chr. Young, R., 644-6074), Rm. 114, 4:00 pm

HB 179 PARENTING TIME (Bishoff, H.) To require certain employers to allow a parent to exercise court-ordered parenting time without terminating the parent's employment, reducing the parent's pay or taking other similar action against the parent. --**1st Hearing-Sponsor**

HB 190 PREVAILING WAGE (Hood, R.) To increase the threshold to trigger the requirement that prevailing wage be paid for work on vertical public improvement projects and to allow political subdivisions and state institutions of higher education to elect whether to be subject to the Prevailing Wage Law for a public improvement project. --**1st Hearing-Sponsor**

Thursday, June 13

Ohio Retirement Study Council, (Chr. Wachtmann, L., 228-1346), Rm. 122, 9:00 am

- **Contract for Actuarial Audit of SERS (per Subcommittee to Review Responses to RFP for Actuarial Audit of SERS) and ORSC Budget**

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

- **If needed**