

# Ohio Township Association Legislative Alert



September 29, 2017

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## Legislative Activity This Week

### Tuesday, September 26

#### Senate Finance

**[HB 54 REVENUE OBLIGATIONS](#)** (Blessing, Gavarone) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities.

*An amendment was accepted by the Committee that would make it clear the obligations issued under the bill would not constitute a debt or pledge of faith and credit of the state or any political subdivision and that all obligations issued under the measure are payable solely from revenue and funds pledged for their payment. Additionally, Cincinnati's Development Strategies Group testified in support of the bill.*

**Rep. Kick** - Ashland County township issue  
**Auditor of State's office** - HB 312 (Credit Cards) changes

### Wednesday, September 27

#### Senate Ways & Means

**[HB 118 PROPERTY TAX COMPLAINTS](#)** (Merrin) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.

*Sponsor Merrin provided testimony to the Committee explaining the need for the legislation.*

**[HB 69 TIF DISTRICTS](#)** (Cupp) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

*Jackson Township Fire Chief Randy Little testified in support of the legislation. The Ohio Fire Chiefs' Association also provided a letter of support.*

**Rep. Carfagna** - Potential township legislation  
**Sen. Bacon's office** - Discharging of firearms in townships

#### Senate Energy & Natural Resources

**[SB 184 WIND SETBACKS](#)** (Skindell) To alter the minimum setback requirement for wind farms of five or more megawatts.

**[SB 188 WIND TURBINE SETBACKS](#)** (Hite) To revise wind turbine setback provisions for economically significant wind farms.

*The Committee heard sponsor testimony from the respective sponsors of both bills.*

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**Legislative Committees for Next Week (10/2-10/6)**

**Wednesday, October 4**

**Senate Ways & Means** (Chr. Eklund), S. Hearing Rm., 9:00 a.m.

**HB 118 PROPERTY TAX COMPLAINTS** (Merrin) To expressly prohibit the dismissal of a property tax complaint for failure to correctly identify the property owner.

*2nd Hearing - Proponent testimony*

**HB 69 TIF DISTRICTS** (Cupp) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

*4th Hearing - All testimony*

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## Recently Introduced Legislation

**SB 199 BROADBAND** (Schivoni, Hite) To create the Ohio Broadband Development Grant Program and to make an appropriation.

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## Federal Legislative Update

### **Tax Reform Framework Released by Congressional Republicans and White House**

Overview - The [framework](#) is light on details, but provides broad goals and policies for the two tax-writing committees- House Ways and Means and Senate Finance to determine

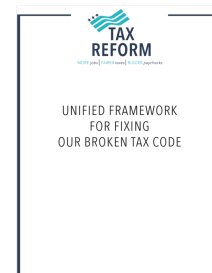
through regular order and the committee process. It proposes reducing and simplifying individual tax rates, creating a maximum pass-through rate of 25%, shifting to a territorial tax system, implementing full expensing for at least five years, and reducing the corporate tax rate to 20%.

Details - The framework remains silent on the tax-exempt status of municipal bonds and the state and local tax deduction. However, it has been reported that on a call with Congressional Republicans last night, President Trump stated that he would be preserving the tax exempt status of municipal bonds and eliminating the state and local tax deduction. The framework specifically preserves the home mortgage interest deduction (HMID). Please note, however, that it also doubles the standard deduction, which means that fewer taxpayers will itemize and thus fewer will take advantage of the mortgage interest deduction.

What Does This Mean? - Now the real work begins. The framework is only just that, a framework of broad goals for tax reform. Congressional legislative committees are now responsible for filling in everything else. This will be a slow, arduous process. Senate Finance Committee Chairman Hatch has already indicated that his committee will be deliberate and bipartisan in drafting their tax reform legislation, and each member of the committee will have the opportunity to be heard.

Next Steps - Here are the projected next steps.

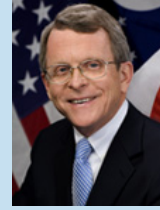
1. Both chambers must pass an FY 2018 budget. Without a reconciled FY 2018 budget, Republicans will not be able to pass tax reform under reconciliation and thus will need at least eight Democrat votes in the Senate.
2. Each chamber has to pass tax reform legislation through regular order. This includes drafting the actual text, holding committee hearings and mark-ups, educating non-committee members, and passing the bill on the floor. Presumably, the committees will also want to weigh in with businesses to verify that the legislation is actually pro-growth and to avoid as many unintended consequences as possible.
3. The House and Senate will form a Conference Committee to reconcile the differences in their legislation. Each Chamber will have to vote on that Conference Report.
4. Once passed by both chambers, the President can sign the legislation.



Changes will be plentiful. NATaT will continue working with the various organizations focused on preserving the tax-exempt status of municipal bonds, the state and local tax deduction, and the mortgage interest deduction, and will keep you informed of our ongoing efforts.

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## Recent Attorney General Opinions



### **2017-030 Transporting Persons**

*Syllabus:*

1. A county court has no authority to enter into a contract with a county sheriff whereby the county court pays the county sheriff for the transportation of persons between the county court and the jails in which those persons are being held after the persons have been arrested and presented to a court or magistrate and during the time period in which those persons are awaiting disposition of the crime or crimes for which they were arrested.
2. A municipal court has no authority to enter into a contract with a county sheriff whereby the municipal court pays the county sheriff for the transportation of persons between the municipal court and the jails in which those persons are being held after the persons have been arrested and presented to a court or magistrate and during the time period in which those persons are awaiting disposition of the crime or crimes for which they were arrested.
3. A municipal court may not order a deputy sheriff to perform the duties of an ex officio bailiff pursuant to R.C. 1901.32(A)(5), even if the county sheriff has entered into a contract pursuant to R.C. 311.29 or R.C. 505.50 with a township that is located within the territorial jurisdiction of a municipal court whereby the county sheriff assigns the deputy sheriff to provide police services to the township.
4. A county sheriff has no duty to transport a person between a municipal court and a jail in which the person is being held after the person has been arrested by a deputy sheriff and presented to a court or magistrate and during the time in which the person is awaiting disposition of the crime or crimes for which he was arrested. (2010 Op. Att'y Gen. No. 2010-018 (syllabus, paragraph 1), approved and followed.)

### **2017-031 Peace Officer Authority**

*Syllabus:*

1. Pursuant to R.C. 2951.08(A)(4), during a period of community control, a peace officer may arrest a person without a warrant for violating the condition of a community control sanction that prohibits the person from contacting or communicating with another person, when the peace officer does not observe the contact or communication, or when the peace officer observes the contact or communication but the alleged victim consents to the contact or communication, provided that the peace officer has reasonable ground to believe that the person has violated or is violating the condition of the person's community control sanction.
2. "Reasonable ground," as that term is used in R.C. 2951.08(A)(4), constitutes "probable cause" and may be found based upon a peace officer's own observation of the violation of a condition of a community control sanction or based upon any other information received by a peace officer, including any other reasonably trustworthy information given to the officer by the alleged victim or a witness.

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## BWC Cuts Rates For Public Employers

The Bureau of Workers' Compensation (BWC) will cut rates for public employers, including townships, after the BWC board approved the move Thursday. The BWC said the cuts will reduce what it collects from public employers by \$11.8 million next year. The lower rates would affect the 3,700 school districts, cities, counties and public entities covered by the State Insurance Fund.

Public employers will pay an average of 6.1% less in premiums starting Jan. 1 under the plan. What reductions public entities will see will vary, according to the BWC. Public hospitals and institutions would see the largest decrease in average rates, at 21.1%, followed by special districts not including transit authorities, contract coverage and counties. Transit authorities and townships will see the smallest rate reductions.

Last year the board kept public employer rates steady but cut rates for private employers by an average of 8.6%.

## Fund Transfers - Implementing New Law

Ohio's most recent biennial budget, **Am. Sub. House Bill 49**, enacted a change to R.C. §5705.16, which contains the process for requesting the transfer of funds authorized by R.C. §5705.15-.16. These changes, effective October 1, 2017, transfer from the court of common pleas to the tax commissioner responsibility for determining that the petition states sufficient facts, good reason or necessity exists for the transfer, and no injury will result from the transfer. Additionally, requirements for giving public notice are lifted.

As with prior law, the tax commissioner must respond in ten days. To expedite the petition evaluation, petitioners must submit the **Transfer Request Form**.

Please note, legislative authority alone is sufficient for some transfers. For example, money may be transferred from the general fund to any other fund of the subdivision or the unexpended balance in a bond fund can be transferred to the sinking fund or bond retirement fund from which such bonds are payable without the consent of the tax commissioner. See R.C. §5705.14 for a list of transfers that do not require tax commissioner approval.



**TA-FTP** - Fund Transfer Petition Application to the Tax Commissioner, R.C. §5705.16.

Contact Meghan Sullivan Homsher, ODT Tax Analyst, with any questions at 614.995.4457 or **Meghan.Sullivan.Homsher@tax.state.oh.us**.

## Questions of Fire Chiefs

The OTA received a suggestion for a possible workshop at the upcoming OTA Winter Conference centered around answering questions that township trustees and fiscal officers have for township fire chiefs but have never asked. If you have such a question, please email the question to Heidi Fought at **fought@ohiotownships.org**.

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