

# Ohio Township Association Legislative Alert



**November 9, 2018**

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## Election Update

The blue wave of support that led to Democrats regaining control of the U.S. House of Representatives did not spread to Ohio as Republicans held off Democrats in all five non-judicial statewide offices and Republican incumbents won in every congressional district. U.S. Senator Sherrod Brown won reelection over Republican Congressman Jim Renacci; however, Republicans will remain in control of the U.S. Senate.

Democrats were successful in making gains on the state's highest court, as Judge Melody Stewart defeated Justice Mary DeGenaro and Republican Craig Baldwin lost to Democrat Michael Donnelly by over 20 percent.

All of Ohio's executive branch positions were on the ballot this year. At the top of the ticket, Rep. Attorney General Mike DeWine won over Dem. Richard Cordray, a former attorney general and head of the federal Consumer Financial Protection Bureau, to be Ohio's next Governor. In the race for Attorney General, Dem. and former U.S. Attorney Steven Dettelbach lost to Rep. Dave Yost. Rep. Keith Faber defeated Dem. Zack Space in the race for State Auditor. For Secretary of State, Rep. State Senator Frank LaRose won over Dem. State Representative Kathleen Clyde. In the race for Treasurer, Rep. Robert Sprague defeated Dem. Rob Richardson.

Republicans expanded their majority in the Ohio Senate to 25-8 as Michael Rulli defeated Democrat Rep. John Boccieri in the northeastern Ohio Senate seat currently held by Democrat Sen. Joe Schiavoni. Democrats did challenge a number of Republican strongholds including the 3rd Senate District, where Democrat Tina Maharath nearly defeated Republican Rep. Anne Gonzales. In the 5th Senate District, Rep. Steve Huffman overcame an early deficit to defeat Democrat Paul Bradley. Lastly, Rep. Andy Brenner narrowly defeated Democrat Louise Valentine in the typically conservative 19th Senate District.

Democrats in the Ohio House were able to chip away at the Republican majority, picking up five seats, but losing the 59th House District to Republican control, reducing their net gain to four seats (62-37). As many expected, the gains made by Democrats occurred in suburban Franklin County, where Democrats picked up three seats currently held by Republicans. In the 19th House District, Democrat Mary Lightbody beat Republican Tim Barhorst. Democrat Beth Liston defeated Republican Stu Harris for the 21st House District. In the 24th House District, Republican Erik Yassenoff lost to Democrat Allison Russo. In Northeast Ohio, Democrat Phil Robinson defeated Republican Jim Trakas in the 6th House District, currently represented by Rep. Marlene Anielski. In the 37th House District, currently held by Republican Kristina Roegner, Democrat Casey Weinstein eked out a win over Republican Mike Rasor. The Democrats did lose the 59th District, currently held by Rep. John Boccieri, as Republican Don Manning beat Democrat Eric Ungaro.

Ohioans rejected Issue 1, a proposed constitutional amendment aimed at reducing prison sentences for felony drug offenders. Issue 1 failed by nearly a two-to-one margin.

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## Legislative Activity for Next Week

### Tuesday, November 13

**Senate Local Government, Public Safety & Veterans Affairs** (Ch. Uecker, (614) 466-8082), S. Hearing Rm., 9:45 a.m.

**HB 291 GOVERNMENT INSURANCE** (Wiggam) To authorize counties, townships, and municipal corporations to purchase an employee dishonesty and faithful performance of duty insurance policy, instead of a bond, for protection from loss due to the fraudulent or dishonest actions of, and the failure to perform a duty prescribed by law by, an officer, official, employee, or appointee for which a bond is required by law.

*2nd Hearing-Proponent*

**HB 454 CEMETERY LOTS** (Patterson, Arndt) To require a township to offer compensation to responsive owners of certain unused cemetery lots and rights.

*1st Hearing-Sponsor*

**HB 500 TOWNSHIP LAWS** (Carfagna) To make various changes to township law.

*1st Hearing-Sponsor*

**House Finance** (Ch. Ryan, (614) 466-1482), Rm. 313, 1:00 p.m.

**HB 322 EMERGENCY PLANS** (Miller, Kent) To revise the law regarding emergency management plans and school safety drills; to require each educational service center to employ an emergency response planner; to make an appropriation; and to declare an emergency.

*1st Hearing-Sponsor*

**HB 654 LOCAL GOVERNMENT FUNDING** (Smith, Boggs) To make a supplemental appropriation under the budget of the Auditor of State to make disbursements to political subdivisions appearing on the Auditor of State's fiscal caution, fiscal watch, or fiscal emergency list during the FY 2018-FY 2019 biennium.

*1st Hearing-Sponsor*

### Wednesday, November 14

**Senate Ways & Means** (Ch. Eklund, (614) 644-7718), S. Hearing Rm., 9:00 a.m.

**HB 343 PROPERTY VALUES** (Merrin) To require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners.

*3rd Hearing-Opponent & interested party*

**Senate Judiciary** (Ch. Bacon, (614) 466-8064), N. Hearing Rm., 10:30 a.m.

**SB 250 CRITICAL INFRASTRUCTURE** (Hoagland) To prohibit criminal mischief, criminal trespass, and aggravated trespass on a critical infrastructure facility, to impose fines for organizations that are complicit in those offenses, and to impose civil liability for damage caused by trespass on a critical infrastructure facility.

*3rd Hearing-Opponent*

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## Federal Update

### **Opportunity Zone Proposed Rule-making Published in Federal Register**

On October 29, the Internal Revenue Service's (IRS) proposed rule-making for "Investing in Qualified Opportunity Funds," was formally published in the Federal Register. The Opportunity Zones (OZs) were created as part of the 2017 Tax Cuts and Jobs Act and is aimed at spurring investment in economically disposed areas. Trump Administration officials say the goal of the program is to create businesses and jobs in low-income areas and lift residents out of poverty. Currently, 8,700 opportunity zones have been set up in all 50 states. Here is a list and a map of the designated opportunity zones, as of June 2018.



Under the program, businesses may defer taxes on capital gains by investing those gains into Qualified Opportunity Funds. Those funds must hold at least 90 percent of its assets in qualified Opportunity Zone property. Under the rules, the investments are open to individuals, corporations, partnerships and real estate investment trusts. Participants can take their profits from unrelated investments and plow them into an opportunity zone fund, avoiding paying taxes on those gains until the end of 2026. Depending on how many years they hold the investment, they can reduce their eventual tax bill by up to 15 percent. Investments within the zones held for 10 years or more are entirely free of capital gains taxes. While the guidelines are generous to investors, buried in the rules is a clause that could deter venture capitalists -- and investment in businesses that could stimulate those downtrodden neighborhoods. One of the rules requires that businesses generate at least half their gross income within the distressed community, or OZ, in which they operate. That's fine for, say, an apartment building or a grocery store, but problematic for a business hoping to manufacture a product to be sold widely, or provide services online.

The deadline to submit public comments to the rule-making is Friday, December 28, 2018. Additionally, the IRS will hold a public hearing on the proposed rule in Washington, DC at 10:00 a.m. on Thursday, January 10, 2019. The IRS is also planning to release a second batch of regulations by the end of the year addressing the ongoing operations of opportunity zone funds.

To see a detailed report on opportunity zones, please [click here](#). If you have any questions or would like more information, please contact:

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## Ohio EPA Recycling & Litter Prevention Grants *Application Period Now Open*



Ohio EPA's Recycling & Litter Prevention Program (R&LP) provides grant funding to communities and businesses that initiate or expand recycling programs, encourage sustainable practices, stimulate market development for reusing recyclables and litter prevention efforts. There are three different grant programs: Community and Litter Grants, Market Development Grants and Scrap Tire Grants. For our stakeholders and partners familiar with past grant awards, Ohio EPA previously had two grant funding categories that have been combined into a single category of Community and Litter Grants. All activities previously eligible for funding under both categories remain eligible and the funding award levels for both community recycling and litter clean-up/prevention activities are expected to remain similar to past years. Combining these grant programs together in a single category will make the online application process easier for our customers.

Ohio EPA is now accepting applications for these three recycling-related grants to be awarded in 2019. [Grant applications are due Feb. 1, 2019, at 3:00 p.m.](#)

To assist potential applicants, Ohio EPA will hold an informational webinar on Wednesday, Nov. 14, 2018.

Where else can you find more information? Please visit the Ohio EPA recycling website: [recycleohio.gov](http://recycleohio.gov). Grant recipients will be announced in April 2019 and funding will be made available in July 2019.

Who can you contact for more information?

Marie Barnett - Grants Administrator - 614.705.1019 - [marie.barnett@epa.ohio.gov](mailto:marie.barnett@epa.ohio.gov)  
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