

Ohio Township Association Legislative Alert



December 15, 2017

To print this alert as a PDF, [please click here](#).

Legislative Activity This Week

Tuesday, December 12

House Finance

HB 3 DATAOHIO BOARD (Duffey, Hagan) To create the DataOhio Board, to specify requirements for posting public records online, to require the Auditor of State to adopt rules regarding a uniform accounting system for public offices, to establish an online catalog of public data at data.Ohio.gov, to establish the Local Government Information Exchange Grant Program, and to make appropriations.

The committee favorably reported the bill to the full House for passage.

HB 281 BROADBAND EXPANSION (Carfagna) To establish the residential broadband expansion program within the Development Services Agency to award matching grants for last mile broadband expansion in municipal corporations and townships and to make an appropriation.

The OTA and Ohio Municipal League submitted [joint proponent testimony](#). The Defiance County Commissioners, the Ohio Hotel & Lodging Association and the Satellite Broadcasting and Communications Association also testified in support of the legislation.

HB 378 BROADBAND GRANTS (Smith, Cera) To create the Ohio Broadband Development Grant Program and to make an appropriation.

The OTA and OML provided [joint proponent testimony](#). The following entities also testified in support of the legislation: Hocking College, Consolidated Electric Cooperative, Connect Ohio, Ohio University, Ohio University College of Health Sciences and Professions, Buckeye Hills Regional Council, Ohio Mid-Eastern Governments Association, Mid-Ohio Regional Planning Commission and Ohio Valley Regional Development Commission.

House Ways & Means

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.

The committee accepted a multi-faceted amendment that would base requirements in the bill on ownership of parcels versus individual parcels; allow for notices to be sent via regular or certified mail; clarify that if an owner is misidentified in a complaint then it can't be dismissed as having a "fatal flaw"; and clarify that municipality complaints require approval of the city's legislative body. Proponent testimony was submitted by the Hamilton County Recorder. The Cuyahoga County Board of Revision Administrator testified as an interested party respectfully requesting the committee consider the impact to the County Auditors and the additional burden placed on the Boards of Revision in all 88 counties.

HB 371 PROPERTY TAX (Merrin) To exempt from property taxation the increased value of land subdivided for residential development until construction commences or the land is sold.

The bill was [amended with language](#) that places a 10-year cap on the exemptions; clarifies that the frozen property value is based on "fair market value" as determined by county auditors and not current agricultural use value; replaces wording to describe unexempted value versus ascribed value; and states that nothing in the bill should be

construed to run counter to normal appraisal principles.

Senate Judiciary

HB 79 FIREARMS TRAINING (Retherford, Hagan) To provide for firearms training for tactical medical professionals; to permit such a professional who has received that training and has been authorized by the law enforcement agency to carry firearms while on duty; and to grant such a professional the same right to carry a concealed handgun in this state as a concealed handgun licensee.

An amendment was accepted that clarified EMTs can carry in SWAT situations only when approved by the law enforcement agency they are working with at the time. Rep. Hagan provided proponent testimony, as did a doctor who works with the Canton SWAT. The panel also received written proponent testimony from representatives of the Columbus Division of Fire, the Colerain Township Public Safety Department, the Colerain Fire & EMS, the Liberty Township Fire Department, the Alliance Police Department Special Response Team and the City of Mansfield Fire Department.

House State & Local Government

HB 415 ROAD IMPROVEMENTS (Greenspan, Ryan) To allocate one-half of any surplus revenue to a new Local Government Road Improvement Fund, from which money will be distributed directly to local governments to fund road improvements.

*The **Ohio Township Association**, the County Engineers Association and the Ohio County Commissioners Association testified in support of the legislation.*

HB 298 SICK DAYS (Merrin) To make changes with respect to the number of sick days provided to public employees.

Sponsor Merrin provided an overview of the legislation and explained that local governments should not be forced to provide more sick days than the state of Ohio.

Meeting with Rep. Scherer - municipal income tax, HB 343, HB 371, township cemeteries

Wednesday, December 13

Senate Ways & Means

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.

*HB 69 passed the Senate on Wednesday by a vote of 31-0. Prior to being passed, the Senate Ways & Means Committee added several **amendments**:*

- clarifies language that permits a township to include retail establishments in an enterprise zone as long as the school district signs off (fixes language from last General Assembly);*
- permits a JEDZ board to remove land from the JEDZ territory without having to go through the new JEDZ process created a few years ago;*
- alters property tax levy resolution and process language to remove from the recently changed law the requirement that a taxing entity have to file a second resolution with the county auditor (the original change happened in HB 49 earlier this year);*
- alters county sales tax increase language that was enacted in HB 49 earlier this year; and*
- provides additional funding to counties with respect to the Medicaid Sales Tax issue.*

*The House concurred on the Senate changes later that same day. The **bill** will be effective 90 days after the Governor signs it.*

House Insurance

HB 268 WORKERS COMPENSATION (Henne) To make changes to the Workers' Compensation Law with respect to self-insuring employers.

The Ohio Manufacturers' Association, the Ohio Self-Insurers Association, and the Ohio Chamber of Commerce testified in opposition to the legislation raising concerns specifically about a provision that would create a new "Self-Insuring Employers' Guaranty B Fund."

HB 269 WORKERS COMPENSATION (Henne) To rename the entities who carry out workers' compensation functions in this state, to require the Administrator of Worker Safety and Rehabilitation to develop incentives for employers to participate in safety consultations and loss prevention programs, to require an employee who is receiving temporary total disability compensation to comply with a return to work plan, and to make changes with respect to compensation for permanent total disability and death benefits.

The Ohio Chamber of Commerce and the Ohio Association for Justice testified in opposition to the legislation.

House Aging & Long Term Care

HB 413 OPERS BENEFITS (Scherer) Regarding Public Employees Retirement System (PERS) annual cost-of-living adjustments granted to allowance and benefit recipients and PERS service credit for services as a nonteaching school employee of a county board of developmental disabilities.

OPERS executive director **Karen Carraher testified in support** of the bill outlining why the OPERS Board had recommended the changes to the cost of living adjustments for retirees. The Franklin County Board of Developmental Disabilities also testified in support of the legislation.

****The General Assembly has recessed until after the new year.**

Recently Introduced Legislation

HJR 6 TERM LIMITS (Sweeney) To impose term limits prohibiting a person from holding office longer than eight years in the Ohio Senate, eight years in the Ohio House of Representatives, and more than sixteen years in total in the General Assembly. Proposing to amend Section 2 of Article II and Section 9 of Article V of the Constitution of the State of Ohio.



Federal Update

The House and Senate were in session this week. Lawmakers on Capitol Hill have until Dec. 22 to reach another deal to fund the federal government. House Speaker Paul Ryan (R-WI) has said that another stopgap spending bill to fund federal agencies into January may be needed to complete work on an omnibus spending package for the remainder of FY 2018.

Senate and House negotiators approved an agreement on the tax bill on Friday. The deal will lower the top individual tax rate to 37% and set the corporate tax rate at 21%, slightly higher than the 20% initially favored by President Trump. The bill will cap the popular mortgage interest deduction at \$750,000, a mid-point compromise between the Senate and House bills. The deduction for pass-through companies will be set at 20%, somewhat lower than the 23 percent included in the Senate-passed bill. That will be offset by lowering the top individual income rate to 37%. It now stands at 39.6%.

Trump to Unveil Infrastructure Plan in January

Late last week, it was reported that President Trump will finally unveil his long-awaited infrastructure proposal in early January 2018, according to a White House official. Trump will release a "detailed infrastructure principles document," delivering on a longstanding promise to invest in America's infrastructure. The plan is expected to emphasize a greater role for states and localities in funding for their infrastructure needs (with or without private sector involvement) and to promote that through four pots of money supplied by the federal government. Over the past several months, the White House has been working behind the scenes to craft a detailed, 70-page infrastructure memo, and this document, which will be submitted to Congress next month, will likely serve as the building block for lawmakers to write actual legislation. The Trump Administration has long said it wants to use \$200 billion in federal seed money, along with significant permit reform and other incentives, to leverage \$1 trillion worth of overall infrastructure investment.

According to sources, the funds provided under the plan would be divided into four general areas:

- * Fully half of the \$200 billion is expected to take the form of grants to state and local governments for projects across many modes of infrastructure (highways and transit, rail, navigable waterways, drinking water and sewer projects). These "incentive" grants will be able to cover no more than 20 percent of eligible project costs, and applicants will be judged primarily on the ability to commit long-term non-federal revenues for the project.

The incentive grants will also be paired with additional streamlining of federal project delivery and permitting processes.

* About one-quarter of the \$200 billion is expected to fund a new program for infrastructure assistance in rural areas. The money would be distributed to states via formula, and distribution within each state would be left up to the governor.

* The bulk of the remainder of the \$200 billion, after the incentive grants and the rural grants, will go towards what the Administration calls "transformative" projects - pricey, big-ticket showcases that transform the way infrastructure currently works. Grant recipients will be selected on a competitive basis by the Administration (probably centralized in the Commerce Department). The federal cost share of these grants is expected to be significantly higher than the 20 percent match level in the incentive grants.

* The Administration plan is also expected to provide additional funding for existing federal credit programs that provide aid to infrastructure (TIFIA, RRIF, WIFIA, etc.) However, the TIFIA program already has more money than it can spend, and has had to give hundreds of millions of unspent dollars back to the Treasury. And the RRIF program, as currently structured, does not require federal funding - loan applicants pay fees high enough to make the program self-sustaining.

The big question is whether, and how, to pay for the \$200 billion in infrastructure funding, with no guidance from the President's FY 2018 budget in this regard. Tax reform and the various year-end funding issues may utilize all of the low-hanging pay-fors (like overseas corporate income repatriation) before the infrastructure bill comes around. With House Speaker Paul Ryan (R-WI) and other Republican leaders maintaining their opposition to a gasoline tax increase, it's anybody's guess what kind of pay-fors will be considered next year.

Recent Attorney General Opinions

2017-043 Compatibility of Office

Syllabus:

A person may serve simultaneously as a member of a board of township trustees and a commissioner of jurors.

2017-044 Joint County Ditches

Syllabus:

1. Neither a county engineer nor a board of county commissioners of one of several counties in which land is benefited or damaged by a joint county ditch constructed under R.C. Chapter 6133 may establish a ditch maintenance fund for the joint county ditch. R.C. 6137.02 confers the authority to establish a ditch maintenance fund for a joint county ditch upon a joint board of county commissioners, which consists of the members of the boards of county commissioners of the several counties in which land may be benefited or damaged by the joint county ditch.
2. A ditch maintenance fund for a joint county ditch may only be established by a joint board of county commissioners as set forth in R.C. 6137.02. All expenditures made from a ditch maintenance fund for a joint county ditch established under R.C. 6137.02 shall be made in compliance with the provisions in R.C. Chapter 6137. A joint board of county commissioners that did not establish a ditch maintenance fund for a joint county ditch pursuant to R.C. 6137.02 may not approve retroactively the establishment by one of the participating counties of a ditch maintenance fund for a joint county ditch, or approve any expenditure that has been made for the ditch's repair, upkeep, or permanent maintenance that did not comply with the provisions in R.C. Chapter 6137.



Department of Commerce

Minimum Wage Hike Set for 2018

Employers, including public employers, are reminded that the state's minimum wage is set to rise on Jan. 1 to \$8.30 per hour for non-tipped employees and to \$4.15 per hour for tipped employees. The current rates are \$8.15 and \$4.08, respectively.

The minimum wage applies to businesses with annual gross receipts of more than \$305,000 per year, according to the Department of Commerce.

With the passage of a 2006 ballot issue, Ohio's minimum wage increases every Jan. 1 by the rate of inflation. The Constitutional Amendment tied the wage hikes to the Consumer Price Index for urban wage earners and clerical workers for the 12-month period prior to September.

OTA Group Rating Program Info

Since 1992, the Ohio Township Association (OTA) has endorsed CareWorksComp as their exclusive workers' compensation group rating program administrator. CareWorksComp provides accurate premium savings estimates and best in class claims management services. This partnership supports OTA's member programming, lobbying and education efforts including our annual Winter Conference.

Competing groups have had very small township groups for only two years. These groups entice townships by overstating their group discount and low balling their service fees. This year they are sending group offers without using actual payroll or claim losses to calculate group discounts that may grossly exaggerate outcomes. The OTA group rating program consistently outperforms these competing programs. Based on available BWC data, townships not participating in the OTA program are paying higher workers' compensation premiums as a result.

CareWorksComp is currently evaluating the 2019 OTA Group Rating Program and will be mailing quotes in the coming weeks to qualified candidates. The 2019 OTA group rating program filing deadline is May 31, 2018. For questions about group rating or more information about the quoting process, please contact:

Paul Feck, Director of Client Services, CareWorksComp
(614) 526-7138 phone

paul.feck@careworkscomp.com



Information for JEDDs and JEDZs - November 2017

The Ohio Department of Taxation recently filed proposed administrative rule 5703-41-02 with the Joint Committee on Agency Rule Review (JCARR) regarding joint economic development districts (JEDDs) and joint economic development zones (JEDZs). The Department anticipates that this rule will be effective in mid-January of 2018. The rule requires the board of directors of each JEDD and JEDZ that levies an income tax to provide the following documents to the tax commissioner within 30 days of the effective date of the rule:

1. A copy of the signed contract creating the JEDD/JEDZ and any signed amendments to the contract creating the JEDD/JEDZ.
2. A description of the area or areas included in the JEDD/JEDZ, including a map in sufficient detail to denote the specific boundaries of the area or areas, and the parcel number of any parcel located within the boundaries of the JEDD/JEDZ which is excluded from the JEDD/JEDZ.
3. Notification of which municipal corporation has been charged with administering, collecting, and enforcing the net profit tax on behalf of the JEDD/JEDZ.
4. A copy of the signed agreement between the board of directors of the JEDD/JEDZ and the municipal corporation to administer, collect, and enforce the income tax on behalf of the JEDD/JEDZ and any signed amendments to the agreement.

The proposed rule also requires the board of directors of a JEDD/JEDZ to update this information if it changes. If a contract or agreement is amended, the board must provide a copy of the signed amendment to the tax commissioner within 30 days of the effective date of the amendment. If a contract is terminated, renewed, or canceled, or if the map changes, the board must notify the tax commissioner at least 30 days prior to the effective date of the termination, renewal, cancellation, or change. Any newly-formed JEDD/JEDZ must provide a copy of the contract and agreement within 30 days of the respective effective dates.

The text of the proposed rule can be found by clicking [here](#).

In anticipation of the rule becoming final and to comply with the rule's requirements, JEDDs and JEDZs may send the documents listed above to the Department via email to

MNPTax@tax.state.oh.us, via fax to 1-206-666-4462, or via mail to:

Ohio Department of Taxation
Business Tax Division
ATTN: Municipal Net Profit Tax JEDD/JEDZ
P.O. Box 16158
Columbus, Ohio 43216-6158

Please contact the Business Tax Division at 1.844.238.0403 if you have any questions about this release or if you need assistance with any municipal net profit tax matter.

Manufactured Homes Transition *Do you have input to share?*

The Ohio Department of Commerce - Division of Industrial Compliance wants to hear from you! They will be holding a meeting at which a conversation will take place to talk more in-depth about processes and issues in the manufactured homes industry, as well as get feedback on the upcoming rule revision process.

Township officials are invited to a meeting to discuss floodplains, among other topics, on Wednesday, Dec. 20 from 1:00 p.m. - 3:00 p.m. at the State Fire Marshal's office, 8895 East Main Street, Reynoldsburg.

This meeting is an opportunity to dive deeper into your questions and feedback, and continue strengthening our partnership. Please RSVP to MHPProgram@com.state.oh.us with the names of those attending.

ORIL Looking for Feedback



Ohio's Research Initiative for Locals (ORIL) is currently sponsoring a project on Best Practices for Pavement Restoration of Open Cut Utility Installations/Repairs on Local Roadways in Northern Ohio. As part of the project, the researchers are conducting a survey of large municipalities to get feedback on the construction, performance, and other information pertaining to pavement restorations of open utility cuts.

The purpose of the survey is to collect information about pavement restoration of open cut utility installation or repair from practitioners in urban areas with similar climatic conditions as northern Ohio. This survey will assist with the research goal of identifying the best practices for pavement restoration of open cut utility installation on local roads in urban areas to ensure low cost and long-term performance. Municipalities from Ohio and other states are welcome to participate. The researchers are specifically seeking responses from municipalities with population greater than 25,000.

The survey can be completed online at this [link](#) or by completing the attached questionnaire and returning it to the address indicated in the document. The project team requests survey responses by December 22, 2017.

Please feel free to also forward this survey to other municipalities that may be able to participate. Thank you!

Ohio's Research Initiative for Locals (ORIL)
1980 West Broad St., MS 3280
Columbus, OH 43223
Phone: 614-466-3029 / 614-387-7358
Email: ORIL@dot.ohio.gov
<http://oril.transportation.ohio.gov>