



Mid-Ohio Regional Planning Commission Monthly Legislative Update

April 2019



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

Joseph Garrity
Director of Government
Affairs (614) 233-4127
jgarrity@morpc.org

What's Happening

Transportation Budget Bill

On Wednesday, April 3, House Bill 62 (Transportation Budget) was signed into law by Governor Mike DeWine. The appropriations in the bill will take effect on July 1, while the codified provisions take effect 90 days after the Governor signed the bill.

Here are some of the highlights of HB 62:

Motor Fuel User Fee

- » Increases the rate of the motor fuel user fee 10.5 cents. The current rate is \$0.28 per gallon to \$0.385 per gallon effective July 1, 2019 and increases the tax rate for other motor fuels (diesel) by 19 cents from \$0.28 per gallon to \$0.47 per gallon effective July 1, 2019.
- » Changes the allocation of the motor fuel user fee to 55% of the revenue derived from the rate increases to the Highway Operating Fund and 45% to the Gasoline Excise Tax Fund to be distributed to local governments. This is an increase in the percentage awarded to local governments.
- » Imposes annual registration fees of \$200 for Electric Vehicles and \$100 for Hybrid Vehicles.

License Fees

Permits municipal corporations and townships to levy an additional \$5 annual license tax per motor vehicle that is registered within their boundaries that may be used to construct and maintain public roads, highways, streets, and bridges, among other uses.

Public Transit

Earmarks \$70 million per year in General Revenue Fund (GRF) for public transportation funding.

Variable Speed Limits

Expands ODOT's authority to establish variable speed limits, but limits the authority to two additional highways after ODOT adopts rules to establish criteria governing variable speed limits.

Transportation Improvement Districts

- » Earmarks \$4.5 million in each fiscal year for transportation improvement districts (TIDs) through a competitively awarded grant program. This is the same annual amount as the last biennium.
- » Requires that TIDs be registered with ODOT in order to receive TID grant funding from ODOT.
- » Clarifies that any elected officer or employee of a county, township, or municipal corporation may simultaneously serve as a member or officer of the board of trustees of a TID without constituting the holding of incompatible offices.

Website Posting

Requires an agency or entity that receives funding under the motor fuel user fee, in many cases, to post website updates on how the funding is used.



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What's Happening

Main Operating Budget Bill

Following the unveiling of Governor DeWine's budget Blue Book on March 15th, House Bill 166 was introduced on March 25th and referred to House Finance Committee as the main operating budget bill.

Under the Governor's proposal, the Local Government Fund (LGF) was flat funded from the existing rate in the current fiscal year. However, the DeWine Administration has reversed from the previous administration the decision to divert LGF dollars to fund local crisis services centers related to substance use disorders. This money is being restored to the LGF and the substance abuse disorder funding has been replaced with General Revenue Fund dollars. The DeWine administration believes that this decision, coupled with natural revenue growth, will provide an additional \$33.8 million in FY 2020 and \$6.4 million in revenue for the LGF.

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Banking/Finance

At a time when local governments face increased targeting from ransomware and other cyberattacks, a County Auditors' Association of Ohio (CAAO) working group and Columbus company SafeChain are developing ways to make property transactions and other records both more secure and efficient.

Ransomware attacks involve a hacker's infiltrating a company or agency's computer systems and blocking access to data unless payment is made, though access is not always returned if they are paid. Incorporating the new distributed ledger technology blockchain would make carrying out such crimes "a massively more significant challenge," SafeChain co-founder and CEO Tony Franco told Hannah News.

Census

Ensuring an accurate census count in 2020 will have ramifications in both political representation and funding for a wide range of critical resources, advocates said during a press conference, exactly one year ahead of when the census will occur. To ensure all Ohioans are counted, they have formed the Ohio Census Advocacy Coalition (OCAC), bringing together faith groups, businesses, educators and community leaders. Sen. Vernon Sykes (D-Akron) said an accurate census is necessary for proportionate representation and 2020 presents challenges and opportunities due to the new use of digital counting. The census is also used for planning programs and allocating budgets in the short- and long-terms, he said, and there should be a focus on getting a good count of underrepresented groups, including rural communities and children.

Aaron Schill, representing the Mid-Ohio Regional Planning Commission, said the census determines political representation at the federal, state and local levels and will be vital to ensuring a "fair share" of federal funding to maintain roads, expand broadband, attract jobs and combat drug addiction. Providing a "modest investment" toward the state's future would lead to dividends lasting years, he said.

Elections 2020

After flirting with a possible run for months with visits to early primary and caucus states such as Iowa, U.S. Rep. Tim Ryan (D-Niles) officially jumped into the race for president.

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Energy

Draft energy legislation has surfaced that would grant the Ohio Air Quality Development Authority (OAQDA) “sole discretion” in issuing payments from a newly created Ohio Clean Air Program to generation facilities making a “significant, historical contribution” to state air quality, excluding government aggregators. Subsidized power plants would be ranked according to the “greatest quantity of carbon dioxide-free electric energy” and would identify the “level of financial assistance needed from the Ohio Clean Air Program,” to be funded by consumers statewide. The draft bill, which has been submitted to the Legislative Service Commission (LSC) but identifies no sponsors or co-sponsors, would require customers of Ohio’s four major electric utilities to pay a monthly fee capped at \$2.50 (residential), \$20 (commercial) or \$250 (industrial), and would exempt them from existing renewable energy and energy efficiency/peak demand reduction charges unless consumers opt back into those programs in a written notice to their local electric company and to the Public Utilities Commission of Ohio (PUCO).

FY18-19 Budget

Ohio is nearly 1 percent ahead of estimates for tax collections this fiscal year, after a month where income and sales taxes outperformed assumptions, according to preliminary March data from the Office of Budget and Management (OBM). Tax receipts of \$16.6 billion for FY19 to-date are nearly \$137 million or 0.8 percent ahead of estimates. Sales taxes are ahead for the year by 2.1 percent or \$156.4 million, while income taxes are about \$100 million or 1.6 percent behind after missing estimates in December and January.

FY20-21 Budget

Gov. Mike DeWine unveiled his next budget proposal, announcing that funding for an additional 30 specialty courts would be included in his budget recommendation for the upcoming FY20-21 biennium. He made the announcement while on a swing through Eastern Ohio. The recommendation includes \$2.5 million in FY20 to add 15 specialty dockets and \$5 million in FY21 to support the newly created specialty dockets and fund an additional 15.

Gov. Mike DeWine made a second FY20-21 budget announcement during his swing through Eastern Ohio -- this one to provide additional funds totaling \$22 million in the upcoming budget for county mental health and recovery boards for crisis stabilization. The recommendation includes a total of \$37 million in crisis stabilization investments. In order to expand and strengthen crisis access points, the governor recommends a new \$12 million investment in mobile response teams, infrastructure developments, and other gaps in Ohio’s crisis service network. In addition, DeWine recommends providing \$10 million over the biennium to the Ohio Department of Mental Health and Addiction Services for a new crisis stabilization fund to meet the needs of local communities.

Gov. Mike DeWine continued to roll out proposals from his upcoming executive budget, stopping in Akron to introduce a tax incentive to attract investment to Ohio’s “Opportunity Zones.” According to DeWine’s office, Ohio has 320 Opportunity Zones across the state, which were identified by local communities as having a high potential for new investment, development and job creation. DeWine’s proposal would provide a 10-percent, nonrefundable income tax credit to those who invest in the state’s Opportunity Zone.

An additional \$20 million from the General Revenue Fund (GRF) over FY20-21 is necessary to continue conducting audits without increasing fees on local governments, Auditor of State (AOS) Keith Faber said in testimony before the House Finance Higher Education Subcommittee. Under the FY20-21 budget proposal, the GRF appropriation for the auditor’s office would increase from \$30.3 million in FY19 to \$40.3 million in FY20 and \$40.3 million in FY21. Total funding in FY20 would be nearly \$91 million in FY20 and nearly \$92 million in FY21.

Gov. Mike DeWine revealed the entirety of his 2020-21 executive budget announcing a biennial spending plan that he said raises no new taxes and bases spending increases on anticipated revenue growth over the next two years. The biennial budget would increase General Revenue Fund (GRF) spending by \$1.18 billion for FY20 and \$1.62 billion in FY21. It calls for

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state-only GRF spending of nearly \$24.0 billion in FY20 and \$24.8 billion in FY21, while all funds spending will be \$74.295 billion in FY20 and \$76.01 billion in FY21. Another calculation for GRF expenditures is based upon state and federal Medicaid spending, which for FY20 totals \$33.7 billion and \$35.3 billion in FY21. “For too long we tinkered at the margins,” DeWine said. “Now is the time to tackle our unfinished business.” DeWine was joined by Lt. Gov. Jon Husted and Office of Budget and Management Director Kimberly Murnieks in making the announcement. Husted said that as a former lawmaker, the budget hits the right notes because it is balanced and doesn’t raise taxes.

A new fund totaling \$250M in FY20 and \$300M in FY21 to support wraparound services, mental health counseling and other needs of at-risk students in Ohio schools represents the bulk of new K-12 education spending in Gov. Mike DeWine’s first executive budget proposal. DeWine said Friday the funding will help ensure struggling children are able to learn, and allow schools to redirect core funding they’ve dedicated to those purposes back to the classroom. School districts will be encouraged to partner with nonprofits, educational service centers, county mental health, addiction and job and family services agencies and others to provide the services. Schools won’t get additional general aid, but will receive at least what they did the year prior, DeWine said.

The H2Ohio water quality initiative would get more than \$85 million in FY20, with ODNR’s line item being \$46.2 million, ODAg’s being \$30.3 million and Ohio EPA’s being \$8.675 million. The H2Ohio line item is \$0 for all departments in FY21. Gov. DeWine’s executive budget proposal includes a host of new proposals in higher education and post-secondary education, aimed at preparing both current workers and younger students for a changing economy and job market. The budget proposal increases the General Revenue Fund (GRF) appropriation for the Ohio Department of Higher Education (ODHE) by 3.5 percent to \$2.7 billion in FY20 and by 3.2 percent to \$2.8 billion in FY2021. All funding increases by 3.3 percent to \$2.7 billion in 2020 and 3.2 percent to \$2.8 billion in 2021. State share of instruction in public higher education institutions is also slated for a slight increase of 1.1 percent in FY20 to just under \$2 billion, and 1 percent in FY21 to just over \$2 billion. Over a half billion dollars separates the revenue estimates of the governor’s Office of Budget and Management (OBM) and the Legislature’s Legislative Service Commission (LSC) for the FY20-21 biennium with LSC’s estimate coming in \$508.2 million below that of OBM. That difference would be significant any budget period but could be more consequential this go around given DeWine’s assertion the proposed budget bases spending increases on anticipated revenue growth over the next two years. For example, \$500 million is over half of the \$900 million the administration is proposing to set aside for the H2Ohio Initiative or it is just slightly less than the total of \$550 million being proposed to support a variety of wrap around services in Ohio schools.

General Assembly/Statehouse

The Ohio Legislative Trails Caucus (OLTC) held its first meeting of the 133rd General Assembly, OLTC Co-Chair Sen. Sean O’Brien (D-Cortland) announced. “Whether hiking, biking, horseback riding, kayaking or canoeing, chances are most Ohioans have spent time out on Ohio’s incredible trails system,” O’Brien said. “The benefits of trails are countless and, with this caucus, we hope to make them even better and preserve them for the enjoyment of future generations.”

The Ohio Senate unanimously passed legislation that would create a new tax credit designed to piggyback off the federal Opportunity Zone law passed by Congress in 2017 [SB8 [Schuring]] and to create the Ohio Cyber Reserve aimed at protecting Ohio’s cyber infrastructure [SB52 [Gavarone]].

Utilities

The PUCO Nominating Council sent the names of William Schuck, Eugene Krebs, Bryce McKenney and Dennis Deters on to the governor, who will fill the vacant seat on the Public Utilities Commission of Ohio.

The full Senate followed the lead of its Senate Energy and Public Utilities Committee and confirmed the appointment of Public Utilities Commission of Ohio (PUCO) Chairman-designee Sam Randazzo as commissioner. In testimony before the committee, Randazzo assured them that his past advocacy for or against certain energy stakeholders would not cloud his work on the commission.

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Goal 1: Promote regionalism at the local, state, and federal levels of government fostering economic growth, prosperity, efficient use of resources, and a high quality of life for Central Ohio residents.

- HB54** LGF TAX REVENUE INCREASE (CERA J, ROGERS J) To increase the proportion of state tax revenue allocated to the Local Government Fund from 1.66% to 3.53% beginning July 1, 2019.
Current Status: 2/12/2019 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-54>
- HB72** CAPITAL IMPROVEMENTS FUND (ROGERS J, CERA J) To create the Supplemental State Capital Improvements Pilot Program funded by a temporary transfer from the Budget Stabilization Fund and to make an appropriation.
Current Status: 2/20/2019 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-72>
- HB84** CAPITAL IMPROVEMENTS-SEWER LATERALS (HOLMES G) To expressly include, as eligible projects under the State Capital Improvements Program, water and sewer laterals located on private property.
Current Status: 3/27/2019 - House State and Local Government, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-84>
- HB92** VOTE ON COUNTY SALES TAX (ANTANI N, SMITH J) To require voter approval of any increase in the rate of a county sales tax.
Current Status: 3/13/2019 - House State and Local Government, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-92>
- HB124** RESIDENTIAL SMALL LIVESTOCK (BRINKMAN T) To allow an owner of residential property to keep small livestock on the property and to prohibit zoning authorities from regulating certain noncommercial agricultural activities on residential property.
Current Status: 3/12/2019 - Referred to Committee House Agriculture and Rural Development
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-124>
- HB149** PROPERTY TAX EXEMPT-RESIDENTIAL SUBDIVISION (MERRIN D) To enact the "Affordable Homebuilding and Housing Act" to temporarily exempt from property tax the increased value of land subdivided for residential development.
Current Status: 4/10/2019 - House Economic and Workforce Development, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-149>
- HB152** TAX LEVY-SUBDIVISION CREATOR (BRINKMAN T) To require certain subdivisions to obtain the approval of the body that created the subdivision before levying a tax.
Current Status: 4/10/2019 - House State and Local Government, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-152>
- HB166** OPERATING BUDGET (OELSLAGER S) To make operating appropriations for the biennium beginning July 1, 2019, and ending June 30, 2021, and to provide authorization and conditions for the operation of state programs.
Current Status: 4/11/2019 - House Finance Higher Education Subcommittee, (Ninth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-166>

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SB8 TAX CREDITS-OHIO OPPORTUNITY ZONE (SCHURING K) To authorize tax credits for investments in an Ohio Opportunity Zone.

Current Status: 4/3/2019 - PASSED BY SENATE; Vote 31-0

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-8>

SB39 MIXED USE DEVELOPMENT PROJECTS-TAX CREDIT (SCHURING K) To authorize an insurance premiums tax credit for capital contributions to transformational mixed use development projects.

Current Status: 4/2/2019 - Senate Finance, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-39>

SB114 NOISE REGULATION-TOWNSHIPS (HOTTINGER J) To expand the authority of a township to regulate noise within the unincorporated area of the township.

Current Status: 4/9/2019 - Senate Local Government, Public Safety and Veterans Affairs, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-114>

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Goal 2: Achieve an advanced, inclusive, and exceptional transportation system that connects Central Ohio's people and products to the world.

- HB48** LOCAL GOVT ROAD IMPROVEMENT FUND (GREENSPAN D) To provide for a new Local Government Road Improvement Fund for local governments to fund road improvements.
Current Status: 2/12/2019 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-48>
- HB62** TRANSPORTATION BUDGET (OELSLAGER S) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2019, and ending June 30, 2021, and to provide authorization and conditions for the operation of those programs.
Current Status: 4/3/2019 - SIGNED BY GOVERNOR; eff. 90 days, Taxes eff. 7/1/19
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-62>
- HB93** PUBLIC TRANSIT INVESTMENT (SKINDELL M, UPCHURCH T) To make appropriations related to public transportation.
Current Status: 3/5/2019 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-93>
- HB97** MINORS-BIKE HELMETS (SKINDELL M) To require bicycle operators and passengers under 18 years of age to wear protective helmets and to establish the Bicycle Safety Fund.
Current Status: 3/12/2019 - House Transportation and Public Safety, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-97>
- HB116** TRANSPORTATION RESEARCH (BRINKMAN T) To make an appropriation related to transportation planning and research.
Current Status: 3/12/2019 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-116>
- SB73** PEDESTRIANS IN CROSSWALKS (BRENNER A) To alter the law governing yielding to pedestrians in crosswalks.
Current Status: 3/26/2019 - Senate Local Government, Public Safety and Veterans Affairs, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-73>

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Goal 3: Pursue sustainability solutions that protect and conserve our natural resources and promote a diverse supply of clean, affordable, and reliable sources of energy for our growing region.

SB2 STATEWIDE WATERSHED PLANNING (PETERSON B, DOLAN M) To create a statewide watershed planning structure for watershed programs to be implemented by local soil and water conservation districts.
Current Status: 2/20/2019 - Referred to Committee Senate Agriculture and Natural Resources
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-2>

SB73 PEDESTRIANS IN CROSSWALKS (BRENNER A) To alter the law governing yielding to pedestrians in crosswalks.
Current Status: 3/26/2019 - Senate Local Government, Public Safety and Veterans Affairs, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-SB-73>

Goal 4: Promote effective data policies and the equitable deployment of digital infrastructure that benefit Central Ohio communities.

HB46 STATE GOVT EXPENDITURE DATABASE (GREENSPAN D) To require the Treasurer of State to establish the Ohio State Government Expenditure Database.
Current Status: 4/10/2019 - House State and Local Government, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-46>

HB190 FIBER BROADBAND DEVELOPMENT (SMITH R) To create the Ohio Broadband Development Grant Program, to encourage the Department of Transportation to work with telecommunications providers to lay fiber optic cable, and to make an appropriation.
Current Status: 4/10/2019 - Referred to Committee House Finance
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA133-HB-190>

For more information please contact:

Joseph Garrity | Director of Government Affairs | jgarrity@morpc.org | 614.233.4127

Your Government Affairs Team



Steve Tugend
Director +Chair, Government Affairs
(614) 462-5424
stugend@keglerbrown.com



Tony Fiore
Of Counsel
(614) 462-5428
afiore@keglerbrown.com



Lloyd Pierre-Louis
Director
(614) 462-5477
lpierre-louis@keglerbrown.com



Mike Miller
Of Counsel
(614) 462-5468
mmiller@keglerbrown.com



Rusty Schuermann
Director
(614) 462-5440
rschuermann@keglerbrown.com



Andy Shifflette
Government Affairs Advisor
(614) 462-5491
ashifflette@keglerbrown.com



Bev Staten
Government Affairs Specialist
(614) 462-5455
bstaten@keglerbrown.com