

NAIOP

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DEVELOPMENT ASSOCIATION

NAIOP OF OHIO

Legislative Report

Friday, July 12, 2019

FY18-19 BUDGET

The state of Ohio ended FY19 on June 30 with tax revenues \$651.1 million over estimates, according to preliminary data released Friday by the Office of Budget and Management (OBM). FY19 tax revenue exceeded that of FY18 by over \$1 billion. A total of nearly \$23.5 billion was collected over the course of FY19 compared to \$22.4 billion in FY18. Total tax receipts finished June \$34.3 million or 1.6 percent over the estimate for the month established by OBM at the beginning of FY19 and exceeded June 2018 total tax receipts by \$22.8 million.

FY20-21 BUDGET

Ohio House Democratic Leader Emilia Strong Sykes (D-Akron) responded to a recent comment Gov. Mike DeWine made to the *Columbus Dispatch* saying that he has urged House and Senate leaders to deal with their differences over tax breaks for small businesses in a separate bill rather than in the budget in order to move passage of the measure along. Sykes said, "We have a constitutional obligation to pass a responsible, balanced budget, and rushing a bill through that guts critical tax fairness provisions without considering the fiscal impact on our state's bottom line is not only irresponsible, it's reckless."

Not surprisingly, NFIB Ohio, which has opposed the House-passed version that trimmed the small business deduction, issued a statement in support of the governor's proposal. Roger Geiger, NFIB Ohio vice president and executive director, said, "Small business owners across Ohio stand with Gov. DeWine's call to move forward in passing Ohio's operating budget without changing the business investor deduction. NFIB agrees it is time to adopt a budget with no new tax increases. As the economic engine that creates two of the three new jobs in Ohio, small business owners appreciate the strong stance of Gov. DeWine that raising taxes on small businesses in the state would be a mistake at this time."

House Speaker Larry Householder (R-Glenford) and Senate President Larry Obhof (R-Medina) met on Monday morning, July 8, while House Finance Committee Chairman Scott Oelslager (R-North Canton) and Senate Finance Committee Chairman Matt Dolan (R-Chagrin Falls) were scheduled to meet that afternoon to further discuss budget bill HB166 (Oelslager), Obhof told reporters Monday. "I would expect some variation of one or both of those meetings to happen

every day until we have a resolution," Obhof said following the Senate's non-voting session. "I feel good about where we're at today."

Gov. Mike DeWine told reporters Thursday that he was confident a resolution would be reached regarding the state budget soon, stressing that both the House and Senate versions were "good budgets" and consistent with his goals regarding the addiction crisis, supporting young people and early childhood programs, water quality, Lake Erie and job training. "It's time to get a budget, and I'm happy that they're talking, they're working," DeWine said. He said he's been in regular contact with Senate President Larry Obhof (R-Medina) and House Speaker Larry Householder (R-Glenford) but "the job of the governor is to weigh in early and to weigh in late" and they are in the middle of the process.

ECONOMIC DEVELOPMENT

JobsOhio recently announced a \$30 million revitalization grant to support initial site preparation work for a proposed ethane cracker plant in Belmont County, spokesman Matt Englehart told *Hannah News*. Englehart said the preparation work -- to begin later in July -- is an "important and positive step" for the project, for which a final investment decision has yet to be made by PTT Global Chemical America (PTTGC America) and Daelim Industrial Company.

ELECTIONS

House Democrats from Cuyahoga County recently sent a letter to Secretary of State Frank LaRose seeking more information on the effect moving the presidential primary in 2020 will have around the state and particularly in Cuyahoga County. The nine Democrats noted that a provision added to HB166 (Oelslager), the biennial budget, will move the presidential primary from March 10 to March 17, which is St. Patrick's Day. In their letter, they said that day is a huge day of celebration in Cleveland and in their districts, and said they are concerned about the effect it will have on people's ability to vote that day.

ELECTIONS 2019

With the goal of increasing the number of elected women in Ohio political office, the Matriots PAC has endorsed 19 women running for local office in 11 communities in the Nov. 5 General Election. Among them are Holly Brinda, running for Elyria mayor, and Elizabeth Brown, daughter of U.S. Sen. Sherrod Brown (D-OH), running for re-election to the Columbus City Council. Other endorsed candidates include three running for local school boards, and one each running for a local auditor slot and clerk of courts.

ELECTIONS 2020

Nikki Foster, a former Air Force pilot who has flown missions during five deployments to the Middle East, launched her campaign for the Democratic nomination for the 1st Congressional District on Monday. Foster, who previously lost a bid for the 54th Ohio House District in 2018, said she is running for Congress "to take on the special interests." She made the announcement at

an event in her hometown in Mason, OH. The seat is currently held by U.S. Rep. Steve Chabot (R-Cincinnati), who is expected to run for re-election in 2020.

President Donald Trump and Vice President Mike Pence have announced plans to host a "Keep America Great" rally on Thursday, Aug. 1 at 7 p.m. at U.S. Bank Arena in Cincinnati.

EMPLOYMENT/UNEMPLOYMENT

The nation added 224,000 jobs in June, the U.S. Bureau of Labor Statistics (BLS) announced Friday, but the unemployment rate and number of unemployed persons showed little change, remaining 3.7 percent and 6.0 million, respectively. BLS said the "little or no change" was also present among all major worker groups and the number of long-term unemployed, or those jobless for 27 weeks or more. Currently, that accounts for 1.4 million people and 23.7 percent of all the unemployed.

The Ohio Department of Jobs and Family Services (ODJFS) announced Monday that it was re-introducing the "Leading Indicators" report, which forecasts near-term employment levels for Ohio and its eight largest metropolitan statistical areas (MSAs). The reports use a statistical model that employs U.S., state and regional level data to produce an annualized growth rate for the next six months. Since a new methodology was used for this report it is not comparable to the previous Leading Economic Index, ODJFS noted, and new reports will be available monthly.

FEDERAL

U.S. Rep. Tim Ryan (D-Youngstown) announced that a grant of \$600,000 has been awarded to Eastgate Regional Council of Governments by the U.S. Department of Commerce's Economic Development Administration. The grant, part of the EDA Chicago Regional Office's Partnership Planning program, will assist Eastgate with the hiring of a recovery coordinator to assist local stakeholders with identifying the region's assets, and developing and implementing a recovery strategy for Youngstown.

U.S. Sen. Rob Portman (R-OH) told reporters Tuesday that he hoped Congress would pass the United States-Mexico-Canada Agreement (USMCA) by the August recess, saying it would help support struggling farmers in Ohio as heavy rainfall has hurt crop planting. The bad weather most recently led Ohio Treasurer Robert Sprague to re-open the application period for the Agriculture Linked Deposit Program Monday, saying heavy rains and floods have wreaked havoc on farms around Ohio.

U.S. Rep. Tim Ryan (D-Youngstown) announced the 2019 Congressional App Challenge (CAC) for middle and high school students in Ohio's 13th Congressional District. The CAC accepts computer programs (or apps) written in any programming language, for any platform (desktop/PC, web, mobile, raspberry Pi, etc.). The competition is open to all students who meet the eligibility requirements, regardless of coding experience. Other Ohio Congress members hosting the challenge include U.S. Reps. Bill Johnson (R-Marietta), Bob Gibbs (R-Ashland), Warren Davidson (R-Troy), Marcy Kaptur (D-Toledo) and David Joyce (R-Twinsburg).

GENERAL ASSEMBLY/STATEHOUSE

The Capitol Square Review and Advisory Board reports that American Electric Power (AEP) closed a portion of the State Street sidewalk for construction beginning Monday, July 8. The project will also involve closing one or more driving lanes on State Street.

House Minority Leader Emilia Strong Sykes (D-Akron) Monday announced the selection of Amber Epling as communications director for the House Democratic Caucus. She succeeds Jordan Plottner who left the caucus at the end of May.

Rep. Candice Keller (R-Middletown), a salaried executive director of Community Pregnancy Center, potentially violated Ohio ethics laws by co-sponsoring legislation that would provide a refundable tax credit for contributions to anti-abortion crisis pregnancy centers like hers, according to the Butler County Democratic Party. Butler County Democratic Party Executive Committee Chairman Brian Hester officially filed a complaint earlier this week with the Joint Legislative Ethics Committee (JLEC), asking the agency to investigate Keller's involvement with HB297 (Ginter-Powell).

Reps. Dave Greenspan (R-Westlake) and Juanita Brent (D-Cleveland) recently introduced HB285 to permanently extend a program which has decreased the number of Ohioans with suspended driver's licenses. Former Rep. John Barnes, the Ohio Legal Assistance Foundation and the Ohio State Bar Association have all offered public support for the bill.

GOVERNOR

Appointments made during the week include the following:

- Martin J. Grunder of Bellbrook (Greene County) to the Wright State University Board of Trustees for a term beginning July 3, 2019 and ending June 30, 2024.
- Andrew J. Platt of Xenia (Greene County) to the Wright State University Board of Trustees for a term beginning July 3, 2019 and ending June 30, 2028.

HOUSING/HOMELESSNESS

The wage that renters need to make to afford a basic, two-bedroom apartment continues to rise this year, according to a new report on the gap between earnings and the cost of rent. The report, issued by the Coalition on Homelessness and Housing in Ohio (COHHIO) and the National Low Income Housing Coalition (NLIHC), shows that only three of the most commonly held jobs in the state pay enough money for someone to afford a two-bedroom apartment: registered nurses, customer services representatives and office clerks. Ohio's housing wage of \$15.73 per hour is calculated by taking the fair market rent for a two-bedroom apartment which is \$818 and estimating that Ohioans are supposed to spend just 30 percent of their income on housing. Assuming a 40-hour work week and 52 weeks per year, this calculates to \$32,728 annually and \$15.73 per hour. Ohio's one-bedroom housing wage is \$12.34 per hour. The typical renter in Ohio earns \$13.92 per hour and 34 percent of Ohioans rent their homes.

NATURAL RESOURCES

More than \$437,000 in Coastal Management Assistance Grant (CMAG) funding has been approved for five projects in the Lake Erie region, the Ohio Department of Natural Resources (ODNR) announced Wednesday. The projects in Toledo, Eastlake, Ashtabula County, Lorain and Bay Village are intended to improve coastal planning, public access and water quality, the department said.

TRANSPORTATION/INFRASTRUCTURE

Ohio is now home to the "largest, most comprehensive contained testing site in North America for advanced vehicle technologies," Transportation Research Center (TRC) executives and DeWine administration leaders said Wednesday. Lt. Gov. Jon Husted and Ohio Department of Transportation (ODOT) Director Jack Marchbanks were among the state officials helping TRC and its partners cut the ribbon at the \$45 million SMARTCenter, located on TRC's approximately 4,500-acre property in East Liberty.

Local and regional leaders from the capital area responded Wednesday to a proposed rebranding of the existing Rickenbacker International Airport as the "North American International Freight Center" to capture Columbus and Ohio's unique geographic advantages in warehousing and distribution. The area south of the capital would not rest on its logistics reputation, however, but would diversify its industry mix with a new smart technology hub, microgrid and solar arrays, and a Rickenbacker Energy Consortium promoting renewable generation, energy efficiency and smart transportation to, from and within the hub.

Bills Introduced Since 7/1/2019

- HB309** **ASSAULT-TRANSIT OPERATOR** (DENSON S, PERALES R) To increase the penalty for assault when the victim is an operator of an Ohio transit system bus or rail car; to authorize Ohio transit systems to post a sign regarding abuse or assault of staff; and to increase the penalty for evading payment of the known fares of a public transportation system.
- HB310** **SCHOOL BULLYING AND HAZING** (GREENSPAN D) To enact the "Ohio Anti-Bullying and Hazing Act" with regard to school discipline and bullying and hazing policies at public schools and colleges.
- SB173** **HIRSCHSPRUNG'S DISEASE AWARENESS MONTH** (KUNZE S) To designate September as "Hirschsprung's Disease Awareness Month."
- SB174** **OHIO GRATEFUL PATIENT DAY** (KUNZE S) To designate September 7 as "Ohio Grateful Patient Day."
- SB175** **CIVIL IMMUNITY-NONPROFIT CORPORATIONS** (SCHAFFER T) To grant civil immunity to nonprofit corporations and persons associated with them for certain injuries, deaths, or losses resulting from the carrying of handguns.
- SB176** **LICENSE RESIDENTIAL CONTRACTORS** (SCHAFFER T) To license residential only construction contractors and to make changes to the law regulating specialty construction contractors.

Tracked Bills

- 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
- HB62** **TRANSPORTATION BUDGET** (OELSLAGER S) To increase the rate of and modify the distribution of revenue from motor fuel excise taxes, 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
- HB75** **PROPERTY VALUE CONTESTS** (MERRIN D) To require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners.
Current Status: 4/9/2019 - **REPORTED OUT**, House Ways and Means, (Fourth Hearing)
- 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)

- HB168** **AFFIRMATIVE DEFENSE-HAZARDOUS SUBSTANCES** (ARNDT S) To establish an affirmative defense to a release or threatened release of hazardous substances from a facility for certain bona fide prospective purchasers.
Current Status: 6/26/2019 - Senate Agriculture and Natural Resources, (First Hearing)
- HB175** **TAX EXEMPTION-GOODS MOVEMENT** (ANTANI N) To exempt from sales and use tax things used primarily to move completed manufactured products or general merchandise.
Current Status: 4/2/2019 - Referred to Committee House Ways and Means
- HB176** **OPEN MEETINGS-VISITORS BUREAUS** (BRINKMAN T, BECKER J) To require certain convention and visitors' bureaus to make available for inspection by the public all meeting minutes, vendor payment information, and financial information.
Current Status: 4/2/2019 - Referred to Committee House State and Local Government
- HB209** **ABOLISH ESTATE BY DOWER** (CARRUTHERS S, KICK D) To abolish the estate by dower.
Current Status: 6/25/2019 - House Civil Justice, (Fourth Hearing)
- HB218** **PUBLIC-PRIVATE PARTNERSHIPS** (PATTON T) To authorize certain public entities to enter into public-private initiatives with a private party through a public-private agreement regarding public facilities.
Current Status: 6/19/2019 - **SUBSTITUTE BILL ACCEPTED**, House State and Local Government, (Second Hearing)
- HB251** **CONTRACT ACTION-PERIOD OF LIMITATION** (LANG G, HILLYER B) To shorten the period of limitations for actions upon a contract.
Current Status: 6/18/2019 - House Civil Justice, (Third Hearing)
- HB252** **LAND REUTILIZATION** (GREENSPAN D) To create the Land Reutilization Demolition Program and to make an appropriation.
Current Status: 6/30/2019 - Re-Referred to Committee
- HB288** **EMINENT DOMAIN** (MANNING D) To amend the law regarding eminent domain and to declare an emergency.
Current Status: 6/25/2019 - Referred to Committee House Civil Justice
- 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: 6/19/2019 - Referred to Committee House Energy and Natural Resources
- SB8** **TAX CREDITS-OHIO OPPORTUNITY ZONE** (SCHURING K) To authorize tax credits for investments in an Ohio Opportunity Zone.
Current Status: 5/8/2019 - House Economic and Workforce Development, (Second Hearing)

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: 6/30/2019 - Referred to Committee House Economic and Workforce Development

SB95 **STATE AND LOCAL TAX INDUCEMENTS** (KUNZE S, PETERSON B) To enhance state and local tax inducements for businesses making substantial fixed asset and employment investments and their suppliers.

Current Status: 6/19/2019 - Referred to Committee House Ways and Means