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NAIOP OF OHIO

NAIOP Weekly Legislative Report

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Ohio Department of Development

1/28/10: PATT-MCDANIEL ANNOUNCES NEW APPOINTMENTS WITHIN THE OHIO DEPARTMENT OF DEVELOPMENT

Lisa Patt-McDaniel, Director of the Ohio Department of Development, announced the appointment of three new members to the Department's senior staff. **Trudy Bartley**, formerly the Federal Stimulus Coordinator for the Ohio Department of Development, has been named the Chief Operating Officer; **Kevin Giangola**, formerly Deputy Director and Chief Procurement Officer for the Ohio Department of Job and Family Services, has been named as the Chief Financial Officer; and **Nicolette Jaworski**, former Special Assistant for Economic Outreach, has been named Chief of Staff for Director Patt-McDaniel.

1/29/10: GOVERNOR, PATT-MCDANIEL ANNOUNCE REQUEST FOR PROPOSALS FOR OHIO HUBS OF INNOVATION AND OPPORTUNITY

Governor Ted Strickland and Lisa Patt-McDaniel, Director of the Ohio Department of Development, announced that the Ohio Department of Development is accepting proposals for the Ohio Hubs of Innovation and Opportunity initiative from regions across the state to establish an Ohio Hub. By year's end, Ohio will have eight Hubs.

The goal of the Ohio Hubs of Innovation and Opportunity is for regions to leverage their resources to attract clusters of connected businesses, encourage new investments and an influx of talented workers, and create new opportunities to grow jobs and develop Ohio's key industries.

To be designated an Ohio Hub, a region must identify core strengths and develop a strategic plan for urban and regional development. An Ohio Hub designation is a commitment from both the state and region to work collaboratively and target economic development efforts toward building upon those identified strengths.

Grants will be awarded by mid April 2010 to establish Department-designated Hubs in regions of Ohio. The largest metropolitan areas will be emphasized, and the Department remains committed to selecting the most meritorious proposals. The Department will provide additional technical assistance and support to regions not designated as Ohio Hubs as a result of this solicitation. This work will be designed to encourage regions to revise and resubmit their proposals and enable the Department to better understand the specific dynamics of particular regions as they relate to the overall Ohio Hub concept. Through this process, the Ohio Department of Development will be able to designate additional Ohio Hubs in Fiscal Year 2011, which begins July 1, 2010.

Week in Review

Friday, January 29, 2010

2010 ELECTIONS

After a request to do so from Ohio Republican Party Chairman Kevin DeWine, Delaware County Auditor Dave Yost announced he'd switch from running for attorney general to running for state auditor, filling the gap in the ticket when current State Auditor Mary Taylor said she'd run for lieutenant governor. The move helps avoid a GOP primary with former U.S. Sen. Mike DeWine in the attorney generals race, but could lead to one in the auditors race, where Rep. Seth Morgan (R-Huber Heights) has launched a bid.

Republican John Kasich went into a fundraising frenzy in the last six months of 2009, reporting that his gubernatorial campaign raised \$4.5 million during that period. In total, the former congressman raised \$5 million over 2009, and he still has \$4 million on hand going into this year.

Gov. Ted Strickland had not filed his report as of Thursday evening, but he had reported having \$4 million on hand in his semi-annual report last summer. Delaware County Prosecutor Dave Yost, who announced on Monday that he was switching his campaign from the attorney generals race to the auditors race, reported that his AG campaign had raised \$47,621 and that it had \$27,319 on hand. Former Ashtabula County Auditor Sandra O'Brien reported that her campaign for secretary of state had raised \$1,450. She also reported \$95,000 in other income and an on-hand balance of \$141,915. Her primary opponent, Sen. Jon Husted (R-Kettering), announced recently that he has \$2 million for his campaign.

Ohio Democratic Party Chris Redfern did nothing to quell growing speculation Thursday that Franklin County Clerk of Courts Maryellen O'Shaughnessy would not only enter the race for secretary of state, but could well become the party's leading contender, bumping state Rep. Jennifer Garrison (D-Marietta).

ELECTIONS

In a question-and-answer session with local elected officials, Secretary of State Jennifer Brunner said she expects to issue a new directive on use of the revamped statewide voter registration database that stemmed from an agreement on information sharing with the Bureau of Motor Vehicles. She said the directive would create a uniform process for non-matches, protect voters from purges based solely on non-matches, and ensure adherence to federal law to protect boards of elections from lawsuits.

In the wake of the U.S. Supreme Court Ruling stripping away some restrictions on corporate spending in elections, Sen. Jon Husted (R-Kettering) said he will draft new legislation to bring more transparency to campaign finance and advertising. In a letter to legislative leaders, he said the state needs to institute new disclosure requirements in response to the ruling.

Husted also sent a separate letter to House Democrats urging them to pass SJR5, his redistricting reform resolution, while pledging a willingness to compromise on the measure.

EMPLOYMENT/UNEMPLOYMENT

The state shed 16,700 additional jobs in December, bringing the joblessness rate up to 10.9 percent, from 10.6 percent the month before. The number of unemployed workers was 641,000, up from 624,000 in November. Ohio, which lost the third most jobs nationally, was one of 43 states to see a month-to-month increase.

FEDERAL STIMULUS (ARRA)

U.S. Department of Labor Secretary Hilda Solis joined Democratic state and local officials Thursday to announce that Ohio will receive \$400 million to restart passenger rail service between Cincinnati, Dayton, Columbus and Cleveland the 3C corridor. Strickland said that it would restore service to the most densely populated area in the nation that does not currently have passenger rail service and estimated that it would bring \$1.2 billion and up to 11,000 new jobs to Ohio's economy. Republicans, however, remained skeptical.

GENERAL ASSEMBLY/STATEHOUSE

The Senate nearly halved the proposed amount for a Third Frontier renewal, passing a version of HJR12 with \$500 million in bonds over four years in addition to \$50 million that is leftover, plus \$100 million is added for the Public Works Commission. Senate Republicans said the issue nearly matches the current funding level, with staff budget director Brian Perera saying the original 10-year, \$1.6 billion Third Frontier had over time been pared to \$1.4 billion meaning approximately \$140 million per year is being spent, compared to \$138 million/year the Senate proposal supports. Senate Republicans also said attaching public works funding would help the issue pass, as the Third Frontier initially failed at the ballot under Gov. Bob Taft before being attached in its second go-round to an infrastructure bond package.

Also passing the Senate this week was SB155 (Carey) which provides funding to soil and water conservation districts through a compromise with the Ohio Department of Natural Resources to set aside a portion of the scrap tire fee to support the districts. The bill also gives the state auditor more flexibility to perform biennial audits by removing a provision in HB1 that requires money for the auditor to perform audits to be paid from an appropriation to the Department of Administrative Services.

The Senate also passed SB185 (Jones) which would prevent transfers from any rotary accounts that hold charitable donations to the General Revenue Fund. Gov. Ted Strickland's administration had drawn criticism last year for attempting to balance the budget with money from funds holding charitable contributions for organ donation and blindness prevention.

GOVERNOR

In his fourth State of the State address, Gov. Ted Strickland proposed programs and initiative aimed at spurring job creation, particularly alternative energy, while also using the speech to highlight accomplishments from his first three years in office, and to do a lot of cheerleading for Ohio's future. I believe in Ohio was the tagline for the speech, in which he proposed a series of programs with much more modest price tags than the initiatives introduced in his past State of the State speeches. They included an Energy Gateway Fund intended to offer capital to advanced energy companies with products ready for the market, and a model agreement between Procter & Gamble and the University System of Ohio designed to streamline public-private research collaborations. In response, Republican legislative leaders pointed to the record of job loss under the Strickland administration, while arguing that the private sector, not a host of state development programs, would spark economic growth, if the state would reform the way it taxes and regulates businesses. Democratic leaders, on the other hand, called his speech energizing. John Kasich, Strickland's opponent for re-election in November, said Strickland was trying to blame everyone but himself for the dismal economy.

JUDICIAL

The Ohio Supreme Court upheld previous precedent requiring asbestos claimants suing their employers to present certain medical evidence in support of their claims, overturning lower court rulings that had set the precedent aside. The ruling, in *Cross v. A-Best Prods Co.*, cast doubt on the savings clause in asbestos reform legislation meant to protect the constitutional right of otherwise barred parties to pursue claims for asbestos-related injuries, Justice Paul Pfeifer charged in his dissenting opinion.

The Ohio Supreme Court agreed Thursday to consider the constitutionality of a Henry County judges order against media reporting on a defendants trial until a jury is seated in the co-defendants separate trial. According to court records, Judge Keith Muehlfeld of Henry County Common Pleas Court ordered

reporters not to publish or broadcast reports on the trial of Jayme Schwenkmeyer which starts Feb. 1. Schwenkmeyer is charged with involuntary manslaughter and child endangerment, as is co-defendant David Knepley, who will have a separate trial scheduled to begin after Schwenkmeyers.

The Supreme Court of Ohio sided with the state attorney general Wednesday in holding that state laws banning electronic transmission of pornography and other material harmful to juveniles apply only to personal communications, including instant messaging, person-to-person emails and private chat rooms, and not to material posted on generally accessible websites and public chat rooms.

The Ohio Supreme Court Wednesday dismissed the lawsuit of Jack Morrison, who had sought to prevent Secretary of State Jennifer Brunner from removing him from the Summit County Board of Elections after he was convicted on ethics charges. The Court issued a one-page entry that denied Morrisons motion and dismissed the case. Brunner removed Morrison in December, citing his conviction on two misdemeanor charges over failing to disclose income from his son while a member of the University of Akron Board of Trustees. The board was in the process of purchasing land from his son at the time. The Senate removed him from the university board in December.

PEOPLE

Sen. Steve Buehrer (R-Delta) was elected chairman of the 2010 Council of State Governments Midwestern Legislative Conference. He was also elected Senate majority whip, replacing Sen. Mark Wagoner (R-Toledo), who resigned after being promoted to partner at his law office.

John Mossbarger of Washington Court House was elected to the board of trustees of the Ohio Farm Bureau Federation.

The Judicial College Board of Trustees chose officers for 2010. Judge Carla D. Moore of the Ninth District Court of Appeals will be chairwoman; Judge Joyce A. Campbell of Fairfield Municipal Court, vice chairwoman; and Judge Jan Michael Long of Pickaway County Probate/Juvenile Court, secretary.

Lisa Patt-McDaniel, director of the Ohio Department of Development (ODOD), announced the appointment of Trudy Bartley, formerly ODOD's federal stimulus coordinator as chief operating officer; Kevin Giangola, formerly Ohio Department of Job and Family Services (ODJFS) deputy director and chief procurement officer as chief financial officer; and Nicolette Jaworski, former special assistant for economic outreach at ODOD, chief of staff for the director.

The Ohio Association of County Behavioral Health Authorities (OACBHA) presented Rep. Linda Bolon (D-Columbiana) with its Award for Legislative Excellence at its state meeting on Tuesday for her great interest in prevention and treatment of addiction and mental illness.

Officers for 2010 of the Ohio Clerk of Courts Association (OCCA) include the following: Kathy Fortney, (Medina), president; Greg Brush (Montgomery), vice-president; Jim Dean (Pickaway), second vice-president; Dan Horrigan (Summit), third vice president; Teresa Dankovic (Guernsey), secretary; and Ann Dunbar (Wyandot), treasurer.

TAXATION

An analysis by the Legislative Service Commission says a plan to phase out the state income tax over 10 years would eventually cost county governments and libraries about 67 percent of the direct assistance they get from the state of Ohio. The analysis acknowledges the split in opinion between Democrats who say the phase-out would gut necessary public services and Republicans who maintain it would spark economic development that would rebuild the tax base but doesn't estimate the likelihood of either scenario.

WORKERS COMPENSATION

The Bureau of Workers Compensation Board of Directors expanded options for a deductible program put in place last year. The Large Deductible Plan will offer deductible levels between \$25,000 and \$200,000 and is intended to give large employers more options to build an insurance plan to fit their specific needs. The board also adopted a new fee schedule for hospital outpatients.

Following approval by the Senate Insurance, Commerce and Labor Committee late Tuesday, the Senate passed SB213 (Faber) on Wednesday. It includes a two-year freeze on further reductions in workers compensation premium discounts for group-rated employers. Republicans said the bill is needed to give small businesses a break and allow time to research what the optimal group-rating discount level should be, while Democrats said the bill stymies plans by the Bureau of Workers Compensation to eventually reach premium sufficiency.

SB213 (Faber) was also discussed extensively at the Workers Compensation Council with that group concluding the bill needs further consideration at the next meeting.

Bills we are tracking

HB176 SEXUAL/GENDER DISCRIMINATION (STEWART, D) To prohibit discrimination on the basis of sexual orientation or gender identity.

Current Status: 9/22/2009 - Referred to Committee Senate Rules

All Bill Status: 9/15/2009 - **PASSED BY HOUSE**, Passed, as amended 56-38
9/15/2009 - Bills for Third Consideration
6/17/2009 - **REPORTED OUT AS AMENDED**, House State Government, (Fourth Hearing)
6/10/2009 - House State Government, (Third Hearing)
6/3/2009 - House State Government, (Second Hearing)
5/27/2009 - House State Government, (First Hearing)
5/13/2009 - Referred to Committee House State Government
5/12/2009 - Introduced

HB324 ENVIRONMENTAL REVIEW APPEALS COMMISSION (YATES, T) To eliminate the schedule in accordance with which the Environmental Review Appeals Commission must issue written orders concerning certain actions that were filed with the Commission and to make an appropriation.

Current Status: 10/27/2009 - Referred to Committee House Finance and Appropriations

All Bill Status: 10/21/2009 - Introduced

SB2 FEDERAL INFRASTRUCTURE FUNDING (CAREY, JR., J) To provide for the distribution of moneys received by the state from the federal American Recovery and Reinvestment Act of 2009 by making appropriations and to declare an emergency.

Current Status: 3/18/2009 - Referred to Committee House Finance and Appropriations

All Bill Status: 3/11/2009 - **PASSED BY SENATE**, Passed as amended, Vote 30-0
Emergency 30-0
3/11/2009 - Bills for Third Consideration
3/10/2009 - **REPORTED OUT AS AMENDED**, Senate Finance and Financial Institutions, (Fifth Hearing)
3/3/2009 - **SUBSTITUTE BILL ACCEPTED**, Senate Finance and Financial Institutions, (Fourth Hearing)
2/24/2009 - Senate Finance and Financial Institutions, (Third Hearing)
2/18/2009 - Senate Finance and Financial Institutions, (Second Hearing)
2/17/2009 - Senate Finance and Financial Institutions, (First Hearing)

2/12/2009 - Referred to Committee Senate Finance and Financial
Institutions

2/10/2009 - Introduced

SB17

COMPENSATORY TIME OFF (COUGHLIN, K) To afford to private sector employers the option to offer and to employees the option to accrue and use compensatory time off.

Current Status: 5/6/2009 - Senate Committee recommends passage, Vote 8-3

All Bill Status: 5/5/2009 - **REPORTED OUT**, Senate Insurance, Commerce and Labor, (Fourth Hearing)

3/31/2009 - Senate Insurance, Commerce and Labor, (Third Hearing)

3/24/2009 - Senate Insurance, Commerce and Labor, (Second Hearing)

3/10/2009 - Senate Insurance, Commerce and Labor, (First Hearing)

2/12/2009 - Referred to Committee Senate Insurance, Commerce and Labor

2/10/2009 - Introduced