

NAIOP

COMMERCIAL REAL ESTATE
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NAIOP OF OHIO

NAIOP Weekly Legislative Report
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Supported Bills

- HB10** **REMEDIATION OF CONTAMINATED SITE (SEARS B)** To authorize refundable tax credits for the completion of a voluntary action to remediate a contaminated site and for the return of such sites to productive use, and to exempt persons through 2017 who have issued covenants not to sue under the Voluntary Action Program from certain fees and penalties for one year after the issuance of such a covenant.
- Current Status:* 3/2/2011 - House Ways and Means, (Fifth Hearing)
 All Bill Status: 2/23/2011 - House Ways and Means, (Fourth Hearing)
 2/16/2011 - House Ways and Means, (Third Hearing)
 2/9/2011 - House Ways and Means, (Third Hearing)
 2/2/2011 - House Ways and Means, (Second Hearing)
 1/26/2011 - House Ways and Means, (First Hearing)
 1/11/2011 - Referred to Committee House Ways and Means
 1/11/2011 - Introduced
- HB17** **TAX CREDIT FOR HIRING UNEMPLOYED (BAKER N)** To authorize a \$2,400 income tax withholding credit for an employer that hires and employs a previously unemployed individual.
- Current Status:* 1/11/2011 - Referred to Committee House Ways and Means
 All Bill Status: 1/11/2011 - Introduced
- HB18** **TAX CREDIT - EXPANDING BUSINESSES (BAKER N)** To authorize a nonrefundable tax credit for a business that increases payroll and expands into a vacant facility.
- Current Status:* 2/23/2011 - House Ways and Means, (Fifth Hearing)
 All Bill Status: 2/16/2011 - House Ways and Means, (Fourth Hearing)
 2/9/2011 - House Ways and Means, (Third Hearing)
 2/2/2011 - House Ways and Means, (Second Hearing)
 1/26/2011 - House Ways and Means, (First Hearing)
 1/11/2011 - Referred to Committee House Ways and Means
 1/11/2011 - Introduced

Oppose

- HB50** **TYPE-II ANNEXATION (SNITCHLER, T)** To require that a political subdivision owner be included in determining the number of owners needed to sign a petition for an expedited type-II annexation.
- Current Status:* 3/1/2011 - House Local Government, (Second Hearing)
 All Bill Status: 2/22/2011 - House Local Government, (Second Hearing)
 2/15/2011 - House Local Government, (First Hearing)

2/1/2011 - Referred to Committee House Local Government
1/26/2011 - Introduced

Monitoring

- HB134 CAPITAL GAINS INVESTMENTS (SCHURING K)** To reduce the income tax rate on capital gains reinvested in Ohio-based investments.
Current Status: 3/30/2011 - House Ways and Means, (Third Hearing)
All Bill Status: 3/23/2011 - House Ways and Means, (Second Hearing)
3/16/2011 - House Ways and Means, (First Hearing)
3/2/2011 - Referred to Committee House Ways and Means
3/1/2011 - Introduced
- HB198 PROPERTY TAX COMPLAINTS (COLEY II W)** To permit property tax complaints to be initiated only by the property owner.
Current Status: 4/12/2011 - Referred to Committee House Financial Institutions, Housing and Urban Development
All Bill Status: 4/12/2011 - Introduced
- SB89 LABOR REQUIREMENTS (JORDAN K)** To prohibit state agencies from requiring or prohibiting certain labor requirements as a condition of performing public works and prohibit the appropriations of state funds for public works when political subdivisions require or prohibit certain labor.
Current Status: 3/8/2011 - Referred to Committee Senate Joint Committee on Agency Rule Review
All Bill Status: 2/23/2011 - Introduced
- SB115 PROPERTY SALE GAINS (KEARNEY E)** To exempt from income taxation any gains from the sale of Ohio property used in a trade or business and held for at least two years.
Current Status: 3/24/2011 - Senate Ways & Means & Economic Development, (First Hearing)
All Bill Status: 3/15/2011 - Referred to Committee Senate Ways & Means & Economic Development
3/9/2011 - Introduced

Bills Introduced Since 4/18/2011

- HB205 HYBRID COMMUNITY SCHOOLS (DERICKSON T)** To permit the establishment of hybrid community schools that provide both remote technology-based and classroom-based instruction.
- HB206 COMMUNITY SAFETY PROGRAMS (STINZIANO M)** To allow taxpayers to contribute a portion of their income tax refunds to community policing efforts and to grant a nonrefundable income tax credit for taxpayers who donate to community safety programs.
- HB207 OHIO COAL MINERS WEEK (BALDERSON T, LETSON T)** To designate the first week of April of each year as "Ohio Coal Miners Week."
- HB208 SCHOOL ANTI-BULLYING POLICIES (STINZIANO M, ANTONIO N)** To require that school anti-bullying policies prohibit harassment, intimidation, or bullying that is based on any actual or perceived trait or characteristic of a student.
- SB150 RATE-CASE EXPENSES FOR WATER/SEWER (HUGHES J)** To limit recovery of rate-case expenses for certain water-works and sewage disposal system companies.

SB151 **ACTIVE DUTY MILITARY PARENTS-CUSTODY** (LAROSE F) Regarding child custody and visitation rights of parents called to active military service.

Week in Review

Friday, April 22, 2011

ATTORNEY GENERAL

Attorney General Mike DeWine joined 15 other attorneys general in pressing Pabst Brewing Company to change the formula and marketing of its Blast beverage, which comes in a 24-oz. can with 12 percent alcohol by volume. DeWine called the drink a "binge in a can" and said it is marketed to appeal to children.

FY12-13 BUDGET

Ohio's budget pains are drawing national coverage as the Legislature prepares for a substitute version of HB153 (Amstutz). Although revenue is up, Senate finance director Brian Perera told *Stateline.org*, Ohio is still digging itself out of a huge hole that will take more than accelerated tax collections to level out. His remarks came as fiscal officers from around the country discussed their mutual budget woes during a meeting of the National Conference of State Legislatures (NCSL) in Washington, D.C. Though revenue collections are improving, most states still trail levels prior to 2007, *Stateline.org* noted.

The coalition Ohio's Campaign for Jobs, which is funded by the Partnership for Ohio's Future and includes ABC of Ohio; Cincinnati USA Regional Chamber; Columbus Partnership; Dayton Area Chamber of Commerce; Greater Cleveland Partnership; NFIB-Ohio; Ohio Business Roundtable; Ohio Council of Retail Merchants; Ohio Chamber of Commerce; Ohio Grocers Association; Ohio Society of CPAs; and the Toledo Regional Chamber of Commerce, has said it will work to support the Kasich budget for FY12-13.

As expected, the House Finance and Appropriations Committee scheduled the release of its substitute budget bill for a hearing at 4:30 p.m. Thursday, April 28. The committee will then hear public testimony Friday, April 29, Saturday, April 30 and Monday, May 2.

Reps. Matt Lundy (D-Elyria) and Debbie Phillips (D-Athens) threatened to sue Gov. John Kasich's administration after saying they received a blanket denial of a public records request for information on his education budget proposal. Kasich spokesman Rob Nichols said the two Democrats were asking for records that don't exist and essentially trying to get the governor's office to do research for them.

COLLECTIVE BARGAINING

Opponents of Ohio's overhaul of its collective bargaining law, SB5 (Jones), are now gathering signatures to put the issue on the November ballot following Friday's certification from the attorney general's office that the proposed "short" summary of the ballot issue was "fair and accurate" and certification from the secretary of state's office that that measure had the 1,000 valid signatures needed to trigger the larger signature gathering process. Opponents now need to gather a total of 231,147 valid signatures from at least 44 counties by June 30 to place it on the ballot.

We Are Ohio, the coalition pushing the collective bargaining referendum, said it plans to put 100,000 petition booklets on the street, and has heard from 10,000 people who are interested in gathering signatures.

CORRECTIONS

Policy Matters Ohio released a new report Monday questioning the state's calculations on the savings private prisons have brought to the state, calling them "flawed and riddled with errors." The report maintains the state has not reliably demonstrated the private prison savings as required by Ohio law.

CRIMINAL JUSTICE

Sen. Bill Seitz (R-Cincinnati) told the Criminal Sentencing Commission he's been pushing for criminal sentencing reforms to be passed as stand-alone legislation rather than in the budget. He said a stand-alone bill is likely to draw bipartisan support, while few Democrats are likely to vote for the budget. In addition, he said members of the criminal justice committees are more familiar with the concepts than those on the finance committees, and said putting so much of his SB10 in the budget could invite a challenge under the single-subject rule.

ECONOMIC DEVELOPMENT

U.S. Rep. Steve Stivers (R-Columbus) and Ohio Department of Development Director James Leftwich led a business development panel discussion at Ohio State University, discussing entrepreneurship, intellectual capital, investment climate and cost of doing business.

Wednesday's Columbus Metropolitan Club forum featured a discussion of how arts programs affect economic development.

ECONOMY

Moody's Investors Service continued to give Ohio a negative outlook as it assigned a rating of Aa2 to \$15 million in state facilities bonds issued through the Ohio Building Authority. Moody's also affirmed the state's Aa1 general obligation and Aa2 lease ratings in its report.

EDUCATION

Families applying for the EdChoice Scholarship have once again exceeded the statutory cap of 14,000 school vouchers, which are worth up to \$4,250 per year at the elementary and middle school level and up to \$5,000 per year at the high school level. With the application period for 2011-12 now closed, the Ohio Department of Education said parents of 15,397 students are seeking private enrollment in the coming academic year. Of those, 11,941 are renewals and 3,456 are new applicants.

Ohio State University and the Ohio Department of Education have begun training Ohio school principals in executive management and leadership at Ohio State's new Executive Principals Leadership Academy. The program is designed to help principals revitalize their schools and school communities and improve the teaching and learning environment for teachers and students. The academy was created using a two-year, \$3 million grant funded through a portion of Ohio's "Race to the Top" school improvement grant and other federal money designed to spur change in Ohio's education system.

ELECTIONS 2012

A survey from conservative pollster Wenzel Strategies found Ohio's Sen. Sherrod Brown (D) leads three potential Republican challengers but is "in very dangerous political waters when it comes to the opinions that likely voters hold toward him." Wenzel found that just 41 percent of likely Ohio voters statewide have a favorable opinion of him and just 40 percent give him positive marks for the job he is doing.

Former Sen. Kevin Coughlin (R-Cuyahoga Falls) has filed paperwork with the Federal Elections Commission to begin raising money for a possible run for U.S. Senate in 2012, the *Toledo Blade* reported. State Treasurer Josh Mandel has also filed paperwork to begin raising money but has not made a formal announcement.

EMPLOYMENT/UNEMPLOYMENT

The Ohio Department of Job and Family Services (ODJFS) reported Friday that Ohio's unemployment rate for March fell to 8.9 percent, down from 9.2 percent in February, as the state added 2,200 jobs over the month. The national unemployment rate stands at 8.8 percent.

Gov. John Kasich announced new efforts to promote Ohio Means Jobs, an online job-matching tool entering its fourth year of operation that he said has been underutilized. The website, OhioMeansJobs.com, is a collaboration with Monster.com that allows Ohioans to search job listings and upload their resumes using Monster.com's technology.

ENERGY

The nearly three-year battle between the Ohio Consumers' Counsel (OCC) and American Electric Power ended Tuesday in a mixed decision by the Ohio Supreme Court, which found that although the Public Utilities Commission of Ohio (PUCO) acted illegally in allowing the utility to bill more than a half billion dollars in retroactive fees and cost recoveries, AEP customers have no power to recoup more than \$60 million in improper charges.

FirstEnergy Nuclear Operating Company (FENOC), a subsidiary of FirstEnergy Corp., announced its Perry Nuclear Power Plant shut down earlier on Monday for scheduled refueling and maintenance. Of the 748 fuel assemblies, 284 will be replaced, and numerous safety inspections will be conducted while the unit is off line. Preventive maintenance to ensure continued safe and reliable operations will be performed, including replacing several control rod blades, rewinding the generator and testing more than 100 valves, according to FENOC.

AEP Ohio launched its "Energy Star New Homes Program" to offer home-building options with energy-efficient appliances in its service territory.

Dayton Power & Light announced it has entered into a \$4.7 billion merger agreement with global power company AES Corporation. With generation and distribution businesses, AES provides affordable and sustainable energy in 28 countries through a portfolio of thermal and renewable fuel sources.

ENVIRONMENT

The Ohio Environmental Protection Agency says it will save \$475,000 annually by consolidating three divisions into two. It is creating the Division of Environmental Response and Revitalization and the Division of Materials and Waste Management out of the following three divisions: Division of Emergency and Remedial Response; Division of Hazardous Waste Management; and Division of Solid and Infectious Waste Management.

GAMING

The Casino Control Commission discussed how to handle gambling addiction, a problem it will receive 2 percent of casino taxes to address. Jennifer Shatley, a Caesars Entertainment executive who serves on the board of the National Center for Responsible Gaming, told the commission about 1 percent to 2 percent of U.S. population meets the clinical definition of "pathological" gambling, while an additional 2 to 3 percent qualify as "problem gamblers."

GENERAL ASSEMBLY/STATEHOUSE

Reps. Michael Stinziano (D-Columbus) and Nickie Antonio (D-Lakewood) introduced anti-bullying legislation, HB208, that would prohibit harassment, intimidation and bullying based on sexual orientation or gender identity. The new bill is one of multiple proposals to address bullying or cyber-bullying introduced in this General Assembly, including HB155 (Fedor-Garland), HB116 (Barnes) and SB127 (Schiavoni).

The "2011-12 Ohio Government Directory" from the Ohio Trucking Association (OTA) is now available. It includes pictures of the members of the 129th General Assembly, the governor's cabinet, statewide

officeholders and Ohio's congressional delegation - a great help in a time of term limits. The price is \$24 each for one to nine copies or \$21 each for 10 or more copies, plus tax.

The Capitol Square Review and Advisory Board (CSRAB) approved a list of eight exclusive caterers for Statehouse events, including Milo's Catering and Banquet Service, which also won the contract to run Capitol Cafe and hold the Statehouse liquor license.

CSRAB also voted to increase evening and weekend parking rates in the Statehouse garage.

GOVERNOR

Gov. John Kasich praised his cabinet Tuesday for making the first 100 days of his administration an unqualified success, at least by Republican standards. He ticked off a list of 87 reasons why Ohio is better off than it was in the previous four years, saying he is "reversing the mangling and the mismanaging of the state of Ohio," asserting that "Ohio is beginning to win." Regrets, he said, included not having more diversity in the cabinet.

HEALTH & HUMAN SERVICES

The Ohio Department of Health released an analysis projecting that the state's vaccination program against H1N1 influenza prevented 64 deaths during a 2009 pandemic, and also helped avoid 1,400 hospitalizations, 310,402 flu cases and \$8.4 million in flu-related hospital costs. It was based on a predictive model from the Centers for Disease Control and Prevention (CDC).

HIGHER EDUCATION

Cleveland State University (CSU) has appointed 30-year enrollment management veteran Carmen A. Brown as vice president for enrollment services, effective July 1. Brown moves to CSU from the University of New Mexico, where she has served as vice president for enrollment management since 2008. Prior to that, she served as assistant vice president for enrollment management at Florida International University, where she previously was director of admissions for 27 years.

Kent State University submitted a \$210 million bond request to Chancellor Jim Petro as part of the university's capital improvement plan for renovating academic buildings. It is the same proposal former Chancellor Eric Fingerhut rejected because of the inclusion of a student facilities fee.

Former U.S. Sen. George Voinovich joined Cleveland State University and Ohio University as a consultant and adviser on major research projects at both universities.

HOUSING

Housing sales for March and for the first quarter of 2011 were lower than the year before but were roughly on par with figures from the same time period in 2009, the Ohio Association of Realtors reported.

INSURANCE

The Ohio Department of Insurance announced the hiring of Joe Garber as the department's chief legal counsel. Prior to joining the department, he worked at Nationwide Mutual Insurance Company, where he was managing counsel in the company's Office of General Counsel.

JUDICIAL

The Ohio Supreme Court affirmed in *Loudin v. Radiology & Imaging Servs.* that an emotional distress claim for delayed medical diagnosis leading to further progression of a disease is a cause of action for physical injury, and therefore part of a medical malpractice complaint.

Richard Dove, an attorney with a 22-year career at the Ohio Supreme Court, was named secretary of the Board of Commissioners on Grievances & Discipline. He replaces Jon Marshall, who will retire at the end of June.

LIBRARIES

About half as many library systems will seek local funding in the May primary compared to the dozens that flocked to the ballot in the previous three elections, with many waiting to get a better sense of what the state's FY12-13 budget is going to include. So far, libraries are in line for a 5 percent cut in payments from the state Public Library Fund, and some would be affected by a proposed quicker phase-out of reimbursements for lost Tangible Personal Property Tax revenues.

NATURAL RESOURCES

Ohio remains the nation's leader in Tree City USA communities with 244 participating cities, villages and townships. This marks Ohio's 30th year as the top Tree City USA state, according to the Ohio Department of Natural Resources (ODNR) Division of Forestry.

Ohio hunters harvested a preliminary total of 2,646 bearded wild turkeys on the first day of the spring turkey hunting season, which is open statewide through May 15, according to the Ohio Department of Natural Resources (ODNR) Division of Wildlife. Top counties for wild turkeys killed on Monday were Guernsey with 94; Adams, 88; Tuscarawas, 85; Muskingum, 81; Coshocton and Knox, 79; Belmont, 73; Washington, 72; Brown, 71; and Ashtabula, 70.

The lottery to select those who can tour Ohio's only floating island -- Cranberry Bog State Nature Preserve in Buckeye Lake -- during the bog's annual open house from 9 a.m. to 3 p.m. on Saturday, June 18, is now open. Those interested should send a postcard by May 31 to the ODNR Division of Natural Areas & Preserves, 2045 Morse Rd., Building C-3, Columbus, OH 43229, with contact name, address with zip code, daytime phone number and total number of people in the party (not to exceed four). Only one postcard will be accepted per family.

Environmental conservation groups objected to proposals to drill for oil and gas in state parks by calling on all 132 state legislators to publicly announce which parks in their districts they want to open up to drilling.

PENSION FUNDS

The State Teachers Retirement System trustees board voted to increase the share of health care premiums retirees pay in an effort to reduce liabilities for its health care fund, which is projected to last until 2024 under current conditions. The board voted to phase in a reduction to the years-of-service multiplier in its Ohio Health Care Program from 2.5 percent to 2.1 percent, reducing the multiplier by a tenth of a percentage point each year starting in 2012.

PEOPLE

The Cuyahoga County Democratic Party selected Nicholas Martin as its new executive director. In addition, Vice Chairman Blaine Griffin is in line to be promoted to executive vice chair and Corresponding Secretary Mamie Mitchell to vice chair at the next regular central committee meeting.

Ohio State University said that Andrew Sorensen, senior vice president for development and president of the Ohio State University Foundation, died unexpectedly on Sunday. A former president of the University of South Carolina and the University of Alabama, Sorensen had joined Ohio State last fall to lead the university's development and fundraising efforts and initiatives.

Former Lt. Governor Lee Fisher was named president of CEOs for Cities, a group focused on urban development.

REDISTRICTING/REAPPORTIONMENT

House State Government and Elections Redistricting Subcommittee Chairman Matt Huffman (R-Lima) said the subcommittee will start the process of drawing 16 congressional districts for the state after the budget leaves the House. He plans to hold the organizational hearing the week of May 9, with the initial hearing likely to consist of testimony from the Legislative Service Commission. That will be followed by hearings soliciting public input that will be held around the state. A bill will follow later, he said.

REGULATORY REFORM

Gov. John Kasich signed SB73 (Manning) on Thursday, a bill that would allow food producers to buy alcohol wholesale for use in making their products. He and Lt. Gov. Mary Taylor held it up as a poster child for the success of their Common Sense Initiative on state regulations.

STATE GOVERNMENT

ProgressOhio joined Sen. Mike Skindell (D-Lakewood) and Rep. Dennis Murray (D-Sandusky) in filing a lawsuit in the Ohio Supreme Court claiming that legislation creating a private entity to oversee Ohio's economic development efforts -- JobsOhio -- is unconstitutional. They cite seven reasons, including that it authorizes the existence of a corporation, sets out statutory requirements, and then exempts that corporation from general laws governing corporations; it creates a second statutory position for the governor; it creates a joint venture between the state and a private corporation and makes the state a stockholder in that entity; and it creates an appropriation for longer than two years.

Former U.S. Rep. Deborah Pryce (R-OH) was appointed chair of the Liquor Control Commission, effective April 18. Her term ends Feb. 8, 2017.

Gov. John Kasich reported about 24 sources of income and 35 sources of gifts on his annual financial disclosure forms with the Ohio Ethics Commission. They included speaker fees, proceeds from his books, and income he received while serving on the boards of Worthington Industries and Invacare. Kasich also noted that he has resigned from those boards and divested his investments in those companies. ¹/₂

Attorney General Mike DeWine took 11 pages to list his income sources in the disclosure filing, mostly in dividends, interest and capital gains. He also included his pension, trustee fees and income received as a board member of the American Hardware Mutual Insurance Co., Motorist Mutual Insurance Co., and the Will-Burt Company. In total, DeWine filed a disclosure form that spanned 58-pages.

Auditor Dave Yost listed two sources of income on his form - his income as a Delaware County prosecutor and a PNC bank account. He also listed gifts from four individuals.

Treasurer Josh Mandel, who as a state legislator last year had to file his disclosure form through the Joint Legislative Ethics Committee (JLEC), reported his state income, the sale of his Lyndhurst home, investments and interest.

Secretary of State Jon Husted reported four sources of income in his JLEC filing, including as a state senator and the director of the Dayton Chamber of Commerce's Education and Public Improvement Foundation. He only listed one source of gifts.

The Ohio Building Authority said Thursday it sold \$15 million of lease revenue bonds, with the proceeds to go to projects in the Department of Youth Services.

TRANSPORTATION

Transportation Director Jerry Wray said the state will need to shorten the list of road projects it can fund in the face of declining gas tax revenues and a possible increase in the state's share of money needed to draw down federal dollars. He said the Transportation Review Advisory Council might create a third and fourth tier for projects, noting it is significantly overcommitted already in Tier 2.

Wray also said generally that all options are on the table in discussion of the Ohio Turnpike, save one: outright selling the highway. He said Ohio won't seek a long-term lease such as Indiana's 75-year lease but would be looking at shorter-term leases.

WORKERS COMPENSATION

Innovation Ohio labeled the \$471,200 annual appropriation in HB123 (Hottinger) for the Workers' Compensation Council its "taxpayer rip-off of the week," noting litigation over staffing troubles a year ago, the commission's scant work output and a salary in excess of \$100,000 for council Director Virginia McNerney. Rep. Lynn Wachtmann, a council member, accused Innovation Ohio of "outright lies," saying McNerney isn't director any more and the work output is higher than Innovation Ohio claimed.