

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

NAIOP OF OHIO

NAIOP Weekly Legislative Report
Prepared by: Law Offices of Matthew G. Kallner
Report created on June 6, 2011

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:* 5/24/2011 - **SUBSTITUTE BILL ACCEPTED**, House Local Government, (Fourth Hearing)

All Bill Status: 3/1/2011 - House Local Government, (Second Hearing)
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: 6/1/2011 - House Ways and Means, (Fourth Hearing)
All Bill Status: 5/11/2011 - House Ways and Means, (Third Hearing)
3/30/2011 - House Ways and Means, (Third Hearing)
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: 5/12/2011 - House Financial Institutions, Housing and Urban Development, (Second Hearing)
All Bill Status: 5/4/2011 - House Financial Institutions, Housing and Urban Development, (First Hearing)
4/12/2011 - Referred to Committee House Financial Institutions, Housing and Urban Development
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 5/16/2011

- HB227 DEGREES IN MATH-BASED FIELDS (GOYAL J)** To grant an income tax credit to individuals who earn degrees in science, technology, engineering, or math-based fields of study and to authorize municipal corporations to grant a credit to those qualifying for the state credit,

- HB228 LICENSE PLATES (GOYAL J)** To create Power Squadron license plates.
- HB229 AGRICULTURE (BUCHY J)** To revise the laws governing agriculture.
- HB230 EMPLOYMENT APPLICATION QUESTIONS (WILLIAMS S)** To prohibit employers from including on an employment application any question concerning whether an applicant has pleaded guilty to or been convicted of a felony.
- HB231 LAKE ERIE WATERS (WACHTMANN L)** To establish a program for the issuance of permits for the withdrawal and consumptive use of waters from the Lake Erie basin.
- HB232 COUNTY FACILITIES REVIEW BOARDS (LETSON T, O'BRIEN S)** To expand the authority of a county facilities review board to include any facility where an adult ward of the probate court resides or receives services among the institutions subject to its review.
- HB233 AD SPACE ON SCHOOL BUSES (LETSON T, HUFFMAN M)** To authorize school districts to sell commercial advertising space on school buses.
- HB234 COMMUNITY EMERGENCY RESPONSE TEAM (DEGEETER T)** To authorize a nonchartered municipal corporation to establish a community emergency response team within the public safety department of the municipal corporation.
- HB235 ETHNIC INTIMIDATION (STINZIANO M)** To rename the offense of ethnic intimidation identity intimidation and to prohibit a person from committing identity intimidation because of the victim's ethnicity, sexual orientation, gender, gender identity, or disability.
- HCR17 NAME OHIO JUDICIAL CENTER (LETSON T, COLEY II W)** To urge the Supreme Court of Ohio to name to Ohio Judicial Center for former Chief Justice Thomas J. Moyer.
- HR97 TRANSCANADA KEYSTONE XL PIPELINE PROJECT (SEARS B)** To urge Congress to support the continued and increased importation of oil derived from Canadian oil sands and urge Congress to ask the U.S. Secretary of State to approve the TransCanada Keystone XL pipeline project from Alberta to Oklahoma.
- SB171 SUNSET REVIEW COMMITTEE RECOMMENDATIONS (GILLMOR K)** To implement the recommendations of the Sunset Review Committee by abolishing, terminating, transferring, or renewing various agencies and reestablishing the Sunset Review Committee but postponing operation until the 131st General Assembly, and to declare an emergency.
- SB172 JUDGMENT CREDITOR LANDLORD (SCHAFFER T)** To enable a judgment creditor landlord to obtain a court order directing the Tax Commissioner to pay the judgment debtor tenant's income tax refund to the landlord.
- SB173 POLITICAL SUBDIVISION - PUBLIC MONEYS (HUGHES J)** To permit a political subdivision, upon the deposit of public moneys with an eligible public depository, to arrange for the public depository to redeposit those moneys with other federally funded banks and savings and loan associations in accordance with specified conditions.
- SB174 ADVERTISING ON SCHOOL BUSES (SCHIAVONI J)** To authorize school districts to sell commercial advertising space on school buses.
- SCR11 GRADUATION RATE CHANGES (LEHNER P)** To approve the Department of Education's proposed graduation rate changes to the state accountability system for public schools.

Week in Review

Friday, June 3, 2011

AGRICULTURE

Rep. Jim Buchy (R-Greenville) says he's hoping for a committee vote next week on his omnibus agriculture bill, which is intended to give the Department of Agriculture more flexibility amid shrinking budgets. He added he wants it to become law by June 30, in time for the fair and festival season.

The Ohio Soybean Council said soybeans continue to be Ohio's No. 1 export, accounting for 44 percent of the state's total agriculture exports.

Confidential

The Ohio Farm Bureau Federation urged Congress to support pending free-trade agreements with Colombia, Panama and South Korea, saying Ohio farm exports could increase \$55 million per year with their approval.

ATTORNEY GENERAL

Attorney General Mike DeWine invoked Ohio Supreme Court precedent recently when he announced that a school district's collective bargaining agreement cannot legally seek to limit the "financial reasons" under which a local board of education proceeds with teach layoffs. The opinion was in response to a three-month-old inquiry from Putnam County authorities on behalf of Kalida Local School District.

Attorney General Mike DeWine filed a brief in support of his Michigan counterpart's challenge in the U.S. Supreme Court to a Sixth Circuit decision expanding Miranda rights for prisoners. Ohio's brief argues the lower court's decision has "no foundation in precedent" and creates "artificial and unworkable distinctions" in Miranda jurisprudence.

BALLOT ISSUES

Supporters of collective bargaining changes in SB5 (Jones) officially formed a campaign group, Building a Better Ohio, to counter efforts by SB5-foes We Are Ohio to force its repeal at the ballot. Political consultant Vaughn Flasher will lead the group, with Gov. John Kasich, Senate President Tom Niehaus (R-New Richmond) and House Speaker William Batchelder (R-Medina) expected to be involved in publicly defending the law for the new group.

FY12-13 BUDGET

Cleveland's Center for Community Solutions published "Highlights of House Changes to HB153," finding that the governor's budget filled an \$8 billion budget gap mostly with cuts to programs, reductions in revenue sharing with local governments and one-time revenue through the sale of prisons and the state's liquor monopoly.

Senate Republicans unveiled a substitute budget bill that provides \$115 million more to schools over the biennium -- \$30 million for those with top academic ratings -- by opting for rosier revenue forecasts from the Legislative Service Commission. They also added \$100 million in Local Government Fund aid, while increasing the minimum payment local jurisdictions can expect from \$500,000 to \$750,000. Among other substitute bill provisions are removal of the so-called "gag order" on the Office of Ohio Consumers' Counsel, addition of a requirement that the Lottery Commission hire a private management contractor and the elimination of the Workers' Compensation Council.

Senate Republicans also undid many of House Republicans' budget-bill changes related to charter schools, with senators saying they needed to restore "quality and operational controls." Among other notable changes was the addition of a special-education scholarship program that Republican lawmakers have sought in the last four General Assemblies.

Saying the state needs to get more value out of leasing its liquor enterprise to JobsOhio, Sen. Tim Grendell (R-Chesterland) proposed raising the budget price tag from \$1.2 billion to \$1.5 billion and using the additional \$300 million for schools and local governments.

Testimony Wednesday on the Senate's new substitute budget bill saw the Ohio Supreme Court's Jo Ellen Cline come in for the most extensive questions following her request that the Senate delete provision subjecting local court filing fees to appropriation by boards of county commissioners, which she said subverts separation of powers. Dozens more witnesses testified Thursday ahead of a second round of revisions in the Senate expected next week.

The American Lung Association and American Cancer Association urged lawmakers to add \$1 million per year to the budget for enforcement of Ohio's indoor smoking ban, saying high compliance rates could slump if businesses know no one will crack down.

A report from the National Governors Association and National Association of State Budget Officers shows state budgets recovering but state leaders continuing to face strong fiscal challenges. According to the report, spending is expected to increase 2.6 percent but will still be below 2008 levels.

COMMUNICATIONS

The biennial budget debate and SB5 referendum have spawned a confusing wave of groups claiming disparate purposes but all opting for similarly ambiguous and fee-good titles, such as One Ohio Now, One Ohio United, Ohio's Campaign for Jobs, We are Ohio, Building a Better Ohio, Join the Future Ohio, Advocates for Ohio's Future, Protect Ohio's Future, and Protect Ohio Families.

ECONOMIC DEVELOPMENT

Kasich job-creation adviser Mark Kvamme told the audience at a leadership forum that the governor's economic policies are designed to build unique business assets in Ohio that can compete to bring more private capital into the state.

ECONOMY

Sandra Pianalto, president of the Cleveland Federal Reserve, told a Columbus Metropolitan Club forum audience that she does not view continued high unemployment as the "new normal" for the American economy, saying hiring generally picks up well after recovery begins.

Leading economic indicators released from the Department of Job and Family Services for April grew 0.1 percent to 90.4, which the department says indicates employment will grow slightly in the summer.

EDUCATION

Gov. John Kasich emailed supporters to urge their input via his campaign website on a new system of teacher performance pay.

Education leaders including Bob Sommers of the Governor's Office of 21st Century Education, interim Superintendent Stan Heffner and Senate Education Committee Chairwoman Peggy Lehner (R-Kettering) will be among those meeting June 14-15 for the Making Ohio Schools Work conference.

Bob Sommers, director of the Governor's Office of 21st Century Education, is among a field of two dozen candidates who have applied to be the next state superintendent of public instruction. Among other applicants are Richard La Pointe, a senior U.S. Department of Education official, and Robert Schiller, a former Illinois state superintendent.

ELECTIONS 2012

The latest poll from Public Policy Polling shows Ohio Republican voters are backing former Secretary of State Ken Blackwell for the Republican nomination for U.S. Senate in 2012.

Survey results from Public Policy Polling showed U.S. Sen. Sherrod Brown (D-OH) leading potential challengers by between 17 and 21 points, up from 15 to 19 points two months ago. He bested former Secretary of State Ken Blackwell, leader of the GOP field in last week's PPP results, 51 points to 33 points.

ENVIRONMENT

A coalition of environmental groups criticized proposed implementing language for the Great Lakes Compact in HB231 (Wachtmann) and SB170 (Grendell), saying they leave approximately 80 percent of Ohio's streams unprotected by regulation of water withdrawals.

FEDERAL

President Barack Obama was scheduled to visit a Chrysler complex in Toledo on Friday to discuss the importance of the auto industry following the announcement that the company is repaying federal loans.

GAMING

Three independent labs offered services and advice to the Casino Control Commission on how it should govern the process by which slot machines and other gambling equipment are tested to guarantee they operate properly.

Penn National Gaming said Ameet Patel, general manager of its Argosy Casino in Riverside, MO, will get the manager's position at its planned Columbus casino.

GENERAL ASSEMBLY/STATEHOUSE

ProgressOhio announced Friday that it has agreed to dismiss its lawsuit over locked Statehouse doors during an SB5 (Jones) protest in February. The group said the dismissal preserves its ability to monitor the situation at the Statehouse and re-file at a future date, if necessary.

Speaker of the House William Batchelder appointed Rep. Mike Dovilla (R-Berea) to the Midwestern Legislative Conference Midwest-Canada Relations Committee of the Council of State Governments, which will examine key trade and border security issues as well as pursue opportunities for interstate and bilateral cooperation, policy-making and information sharing.

House Republicans will screen 12 people Monday for possible appointment to the seat of Rep. Bill Coley (R-West Chester), who was appointed to the Senate to replace Sen. Gary Cates (R-West Chester), who became senior vice chancellor at the Board of Regents. Applicants include Margaret Conditt, Mark Haverkos, Bruce Jones, Candice Keller, Christine Maticic, Douglas Mink, Phillip Morriscal, George Nafziger, David Narciso, Don Spurlock, Lee Wong and Bert Young.

The House approved HB215 (Dovilla), which designates June 15 as Elder Abuse Awareness Day, but debate on the measure quickly turned to the budget, which Democrats said cuts senior programs, making this bill an empty gesture. The House also approved HB185, which designates an Ohio Aggregates and Industrial Minerals Awareness Week in July; SB132, which names the planned I-90 bridge in Cleveland after George Voinovich; HB62, which increases penalties for assaulting health care workers; and agreed with Senate amendments to HB121, which addresses child custody rights of military members.

Among other legislative actions this week, the Senate Highway and Transportation Committee reported out SB114 (Seitz), which sets conditions for operating specialized motor vehicles.

GOVERNOR

Gov. John Kasich signed an executive order Friday establishing the Ohio Asian American Pacific Islander (AAPI) Advisory Council to improve access to programs and services that could assist AAPI citizens.

HEALTH & HUMAN SERVICES

The Public Children Services Association of Ohio (PCSAO) released the 10th edition of its Factbook, showing Ohio has made strides and leads the nation in reducing the number of children in group and foster homes, but the association warned more needs to be done and raised concerns that budget cuts could reverse that trend.

The Department of Job and Family Services said it is accepting applications for financial incentives that are available to Medicaid providers who adopt and achieve meaningful use of electronic health records.

The Ohio Department of Health said it received \$2.1 million from the U.S. Department of Housing and Urban Development to help with lead remediation in homes in 36 counties.

HIGHER EDUCATION

Cleveland State University (CSU) announced that it has named cardiovascular researcher and University of Maryland department chair Meredith Bond as dean of the College of Sciences and Health Professions, effective July 18.

Kent State University said it has developed an inventory of more than 240 collaborative projects and efforts among local governments in Northeast Ohio, which will be sent to the state auditor's office for inclusion in its Shared Services Idea Center.

INSURANCE

The Ohio Department of Insurance (ODI) and the attorney general's office have said that nearly 2,230 agents and agencies currently owe the state \$21.7 million in personal income taxes, sales taxes and workers' compensation premium payments.

JUDICIAL

The Ohio Supreme Court is accepting comment until June 29 on proposed amendments to its Rules of Practices, including changes to the process for admission of out-of-state attorneys.

The Ohio Supreme Court said attorneys reported performing nearly 140,000 hours of *pro bono* work valued at around \$19 million in 2010, a \$6 million increase over 2009.

PEOPLE

Funeral services were held over the weekend for Charles "Chip" Henry, a 53-year-old Geauga County judge and former state senator who died May 23 after being struck while riding his bicycle.

William Winsley, executive director of the State Board of Pharmacy, was named chairman of the National Association of Boards of Pharmacy executive committee for 2011 and 2012.

Former Ohio Statehouse journalist Liz Sidoti was named political editor for the Associated Press.

Ohio State University named Michael Papadakis as treasurer and vice president for financial services.

Memorial services were held Thursday for John W.E. Bowen III, a former Ohio senator who died last week at age 84.

STATE GOVERNMENT

The Joint Committee on Agency Rule Review approved rules from the Ohio Department of Developmental Disabilities to implement services under the Individual Options Home and Community Based Services waiver.

Gov. John Kasich said \$750,000 will be available through the Ohio Emergency Management Agency to help those affected by flash flooding in May in Gallia, Jackson, Lawrence, Pike, Ross, Scioto and Vinton counties.

TAXATION

The Rockefeller Institute of Government released a new report on state tax revenues, finding state revenues have been growing in the fourth quarter of 2010 and first quarter of 2011 as local tax revenues show the opposite trend.

TRANSPORTATION

A new poll of 800 likely Ohio voters by the Mellman Group for Ceres, a coalition of investors and energy advocates supporting energy sustainability, shows overwhelming support for requiring the auto industry to increase average fuel economy to 60 miles per gallon (mpg) by 2025 and to reduce carbon dioxide pollution from new cars, pickup trucks, minivans and SUVs.

The Public Utilities Commission of Ohio (PUCO) released its annual railroad crossing statistics report showing that the state experienced 64 total crashes in 2010; four people were killed, while another 14 were injured. Cuyahoga and Lucas counties had the most crashes, with five each.

The Transportation Review Advisory Council approved a new four-tiered system for upcoming projects, adding two new categories, including one for projects not recommended for state funding. At the meeting, Transportation Director Jerry Wray said a planned lease of the Ohio Turnpike would include minimum operating standards so the road does not fall into disrepair under private management. He said Ohio is considering a 30- to 50-year lease.

The Sierra Club Ohio Chapter released a report urging the state to focus on repairing existing roads and bridges rather than building new ones.

A diverse group of advocates gathered at the Statehouse for a rally billed as a "Statewide Conversation on Transportation Equity and Federal Policy," urging greater investment in public transit.

UTILITIES

FirstEnergy Corp. said its transmission subsidiary, American Transmissions Inc., has completed integration into its new regional transmission organization, PJM Interconnection.

WORKERS COMPENSATION

The Board of Directors of the Bureau of Workers' Compensation (BWC) approved the BWC's first-ever formulary of medications for the treatment of injured workers. In addition, the board approved a reduction of an average of 4 percent in the base rates for private employers, beginning July 1.

WORKFORCE

Ohio ranks near the top of federal workforce assistance in new grants announced by the U.S. Department of Housing and Urban Development (HUD), receiving \$707,000 in "self-sufficiency" grants to 11 local housing authorities.