

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:* 6/21/2011 - House Local Government, (Fifth Hearing)
 All Bill Status: 6/14/2011 - **BILL AMENDED**, House Local Government, (Fifth

Hearing)
5/24/2011 - **SUBSTITUTE BILL ACCEPTED**, House Local Government, (Fourth Hearing)
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 8/22/2011

HIGHWAY NAME DESIGNATION (PETERSON B) To designate a portion of State Route 104 within Ross County as the David A. Gibson Memorial Highway.

COUNTY COMMISSIONERS PROCEEDINGS VIA TELECONFERENCE (DAMSCHRODER R) To authorize a joint board of county commissioners to conduct proceedings regarding existing joint county ditches via teleconference or video conference.

TAX CREDIT-TEMP EMPLOYMENT AGENCY HIRES (SCHAFFER T) To allow taxpayers to count employees employed through a temporary or professional employment agency toward the payroll and income tax withholding requirements of the job creation and job retention tax credits.

COUNTY COMMISSIONERS PROCEEDINGS VIA TELECONFERENCE (BURKE D) To authorize a joint board of county commissioners to conduct proceedings regarding existing joint county ditches via teleconference or video conference.

FOLIC ACID EDUCATION (SCHAFFER T) To express the General Assembly's support of increasing public awareness of and education on the importance of folic acid in the diets of women of childbearing age.

Week in Review

Friday, August 26, 2011

BALLOT ISSUES

Ohio's top three Republicans showed up Friday to a SB5 negotiation session We Are Ohio had vowed not to attend, and they ripped into absent union leaders for a campaign of "propaganda" and a "complete abdication of their moral responsibility." But Gov. John Kasich said the criticisms weren't personal and the leaders remain open to future meetings. "Woody Allen says 90 percent of life is just showing up, and they've obviously flunked that test today," said Kasich. We Are Ohio, however, labeled the request for negotiations "disingenuous" and reiterated their position that they will negotiate once the Legislature repeals SB5.

A new poll from Public Policy Polling found that while Ohioans continue to reject SB5, the collective bargaining overhaul, the margin is narrowing. According to the latest poll, 50 percent said they would reject SB5 if the election were held today while 39 percent said they support it. The May poll put those responses at 55 percent and 35 percent, respectively.

The Ohio Ballot Board approved arguments submitted against and in favor of the three statewide ballot issues, adding a disclaimer that the board hadn't verified the veracity and accuracy of the arguments, something Sen. Keith Faber (R-Celina) suggested, citing concerns with the anti-Issue 2 arguments submitted by We Are Ohio.

The first debate between the State Issue 2/SB5 (Jones) campaigns will take place on this weekend's broadcast of Town Hall Ohio. Campaign spokespersons Melissa Fazekas of We Are Ohio and Jason Mauk of Building a Better Ohio will appear on the weekly public affairs program produced by the Ohio Farm Bureau Federation (OFBF). Town Hall Ohio airs Sunday at 7 a.m. on NewsTalk 610 WTVN and at other times on 10 additional stations.

CORRECTIONS

ProgressOhio filed constitutional objections Thursday to another major Kasich administration initiative, this time questioning the legality and prudence of prison privatization. The lawsuit, filed in Franklin County Common Pleas Court, alleges that the prison-sale plan's inclusion in the state budget is a violation of the Ohio Constitution's single subject rule, and that its inclusion also blunts state residents' ability to seek a referendum on the plan. It also cites the Ohio Constitution's ban on the state's going into business with private enterprise.

DEATH PENALTY

U.S. District Court Judge Gregory Frost must now decide whether the state has done enough to resolve his concerns about the administration of the death penalty in Ohio. The 17-page protocol filed with the court Aug. 18 includes a detailed revision of state record keeping for death row inmates and a lengthy

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charge for Director Gary Mohr of the Ohio Department of Rehabilitation and Correction (DRC) to set up an independent review of state execution policy and procedures. According to DRC spokesman Carlo LoParo, the state's death penalty protocol itself has not changed but instead "bolsters documentation and clarifies instructions."

The Ohio Supreme Court scheduled two executions for 2013: March 6 for Frederick Treesh, convicted of shooting a guard and cashier at an adult bookstore as part of a multi-state crime spree, killing the guard; and May 1 for Steven T. Smith, who was convicted in the 1998 rape and murder of his girlfriend's 6-month-old daughter.

ECONOMIC DEVELOPMENT

Chrysler announced a \$72 million investment in its Toledo Machining Plant, a move expected to retain 640 jobs in Ohio. The announcement came on the same day Gov. John Kasich met with executives of the Big Three automakers in Detroit, a meeting he said was "very encouraging."

EDUCATION

State Superintendent Stan Heffner unveiled more details on his K-12 reform plan recently in a five-region tour of Ohio, telling school administrators a 21st century model of education must include "high quality instruction." "A Vision for Tomorrow: Ohio's Path to Educational Success" reflects the list of priorities Heffner outlined last month, and reiterates many of the concerns identified by the Kasich administration during the recent budget debate.

eTech Commission Vice Chair Bruce Hawkins said the other members on the three-person study committee on state public broadcast operations include Commissioners Rosemary Herpel and Glenn Watts.

The Ohio Ethics Commission Tuesday deferred for another month the longstanding question whether a school district superintendent or treasurer can serve in a dual capacity as the chief administrator of both a conversion community school and a school district -- an arrangement which the attorney general's office has said risks an "impermissible conflict of interest."

State Superintendent Stan Heffner said Wednesday that despite the usual changes in report card metrics this year, Ohio students overall are making net gains in state proficiency scores.

The Ohio School Facilities Commission (OSFC) approved emergency funds Thursday for a Marion County school district to help pay for repairs of flood damage that occurred earlier in the spring. The \$164,830 loan for Elgin Local Schools marked the third time that the commission has tapped its Emergency Assistance Program for funds. The other times came when Findlay City schools were hit with flooding, and when a high school in the Lake Local Schools was destroyed by a tornado.

ELECTIONS

Secretary of State Jon Husted issued a directive Monday that bans local county boards of elections from sending out unsolicited absentee ballot applications, saying it is an issue of uniformity. The two-page directive said that over the last several elections, some county boards have sent out the applications but have not been consistent, mailing only in certain elections, and paying postage on some portions of the process in one year but not another. It said that the "patchwork approach" leaves voters wondering if they should request an application or wait to see if they get an unsolicited application in their mailbox.

Secretary of State Jon Husted said he issued his directive barring counties from sending unsolicited absentee ballot requests to voters because county boards of elections were sending him tie votes on the issue, and he wanted to deal with the conflicts in one move. But Democrats blasted the directive as an end-around to the potential referendum on HB194 (Blessing), which also contains a provision banning unsolicited absentee ballot applications. Rep. Teresa Fedor (D-Toledo) also wrote him a letter saying his directive, HB194 and military-voting changes in HB224 (Dovilla) might be in conflict with one another.

Secretary of State Jon Husted launched the Military-Ready-to-Vote initiative Tuesday, intended to be a one-stop shop for everything military personnel need to vote.

The League of Women Voters of Ohio threw its support behind a referendum on HB194, the elections reform law that the group said contains provisions it believes are likely to make it harder for Ohioans to vote.

ELECTIONS 2012

Despite being encouraged to run for the seat himself, U.S. Rep. Jim Jordan (R-Urbana) Monday endorsed Treasurer Josh Mandel for the U.S. Senate campaign. Recently, former Secretary of State Ken Blackwell backed a Jordan candidacy to challenge Sherrod Brown in 2012.

Eric LaMont Gregory, a clinical physiologist from Beavercreek, has filed candidacy petitions to seek the Republican nomination for U.S. Senate in 2012.

EMPLOYMENT/UNEMPLOYMENT

Ohio's unemployment rate rose for the second month in a row, returning to 9 percent for July as the state added more jobs but also saw more workers on the unemployment rolls. The national rate was a tad higher, coming in at 9.1 percent.

ENERGY

A panel at the recent National Conference of State Legislatures (NCSL) Legislative Summit in San Antonio discussed the roadblocks and opportunities for citing renewable facilities in the U.S. One panelist cited five challenges in energy policy: eight administrations since President Nixon have yet to establish an energy road map to meet a growing energy demand and replace aging power plants; the inverse relationship between the high cost of renewables and their low capacity utilization factors (between 1 percent and 58 percent) compared to fossil and nuclear fuels (over 90 percent); citing opposition for all forms of energy facilities; federal regulations that increase costs; and the expense of borrowing to finance projects.

ENVIRONMENT

The U.S. Environmental Protection Agency (U.S. EPA) on Tuesday announced that the Great Lakes Restoration Initiative (GLRI) is setting aside approximately \$6 million for federal agencies to sign up unemployed workers to implement restoration projects in federally-protected areas, on tribal lands and in Areas of Concern in the Great Lakes basin. The U.S. EPA will fund individual projects up to \$1 million.

FEDERAL

Effective March 1, 2013, the U.S. Department of the Treasury will no longer use paper checks as a payment option for federal benefit payments, moving to making all federal benefit payments electronically. People who receive Social Security, Supplemental Security Income (SSI) or other federal benefit checks for themselves or on behalf of someone else must switch to an electronic payment option by that date.

A report released Thursday by NASA's inspector general found that Dayton's U.S. Air Force Museum would have been in a three-way tie for the competition to display the Enterprise Orbiter test vehicle, if not for a scoring error made by the internal panel reviewing potential display sites. However, NASA's administrator told investigators he still would not have selected Dayton had it been a top-three finalist.

GAMING

Rules submitted by the State Lottery Commission governing video lottery operations were withdrawn from Monday's consent agenda of the Joint Committee on Agency Rule Review with no explanation while rules governing the protocol and procedures of the Ohio Casino Control Commission, along with requirements for insurance and security regulations by casino operators, were approved with no discussion from members.

GENERAL ASSEMBLY/STATEHOUSE

Former Rep. Robert Mecklenborg (R-Cincinnati) pleaded guilty Monday to a charge of operating a motor vehicle while intoxicated, the *Cincinnati Enquirer* reported.

Sen. Tim Grendell (R-Chesterland) said Thursday that he will be bringing back legislation requiring any Ohioan who is receiving state assistance to take a drug test. The bill will be similar in style to legislation signed by Florida Gov. Rick Scott in July that requires testing for adults applying to the federal Temporary Assistance for Needy Families (TANF) program.

Reps. Marlene Anielski (R-Walton Hills) and Connie Pillich (D-Cincinnati) and Sen. Gayle Manning (R-North Ridgeville) were selected to attend the 2011 Bowhay Institute for Legislative Leadership Development (BILLD), a training program of the Council of State Governments (CSG) that identifies and assists promising state leaders in the Midwest, Aug. 10-14 in Madison, WI.

GOVERNOR

Gov. John Kasich said the president should learn the lessons of Ohio in solving the nation's fiscal and economic crisis and ending the partisan stalemate in Washington. Saturday's national address, which came at the request of U.S. House Speaker John Boehner (R-OH), offers the same advice to congressional Republicans. "Where is it written that both parties can't cut through the scar tissue and find consensus?" Kasich asked in the six-minute speech.

Gov. John Kasich announced the appointments of Pauline E. O'Neill of Logan (Hocking Co.) to serve as judge of the Hocking County Municipal Court and Rosemarie Hall of Canton (Stark Co.) to serve as judge of the Stark County Family Court.

HEALTH & HUMAN SERVICES

The Medicaid Information Technology System (MITS), Ohio's new program for processing provider claims for the health care program, has been rejecting some eligible claims, leaving providers unpaid. In response, the Department of Job and Family Services (ODJFS) said it was sending emergency, two-week payments by Thursday to about 450 providers who had not been paid out of the total of approximately 90,000 Medicaid providers. Over- or underpayments that result will be accounted for in later payments. In the meantime, the department's contractor for MITS, Hewlett-Packard, is working to fix the problem.

Researchers at Case Western Reserve University have joined with others at Carnegie Mellon and Boston universities to publish a new report that suggests small businesses are paying an estimated 29 percent more in premiums for health insurance than they should because of difficulties in comparison shopping.

HIGHER EDUCATION

The University of Akron (UA) announced that a new research and development company formed on its campus will help coordinate a new research partnership between the university and the Triangle Group, China's largest tire manufacturer.

JUDICIAL

The Ohio Supreme Court issued a mixed ruling Friday in the constitutional challenge to JobsOhio, dismissing the lawsuit while at the same time agreeing with Democrats that this year's enacting legislation is unconstitutional in its effort to impute new powers to the Court.

However, Sen. Mike Skindell (D-Lakewood) promised to file a swift response to the Supreme Court ruling in the Franklin County Court of Common Pleas, which the recently passed budget bill requires to elevate JobsOhio over all other civil cases -- regardless of filing date -- and to render judgment on the privatization move "expeditiously." The 10th District Court of Appeal is under the same admonition, meaning the question of whether privatization of the state's economic development functions is constitutional or not could be settled in relatively short order.

Specialized dockets that take a "therapeutically-oriented" approach to certain offenders will include an expansive treatment team of legal and social service professional, and will target "individualized needs" ranging from education to housing to physical and mental health, according to rule amendments announced Friday by the Supreme Court of Ohio. As such, specialized dockets do not include commercial, housing or environmental dockets.

Nationwide Insurance did not waive its one-year window for a homeowner to file suit against the insurer by corresponding with him about a dispute beyond that timeframe, the Ohio Supreme Court ruled Tuesday.

The Supreme Court decision also reversed an 11th District Appellate Court finding that Nationwide's policy language on the time limitations was ambiguous and unenforceable.

As many Ohio students head back to school this week, a field trip to the Supreme Court of Ohio will be more affordable for 100 financially pinched schools this school year. The Supreme Court of Ohio announced Tuesday that the Ohio Judicial Center Foundation is setting aside 100 grants for the 2011-2012 academic year to help defray schools' cost of transportation to the judicial complex in downtown Columbus.

The Supreme Court of Ohio announced the latest addition to specialized fields of law recognized by the state Thursday. The Court Commission on Certification of Attorneys as Specialists published "insurance coverage law" for public comment earlier this year and formally approved the definition on June 24, completing a year-long review.

NATURAL RESOURCES

U.S. Sen. Sherrod Brown (D-OH) announced \$1 million was awarded by the U.S. Department of Agriculture (USDA) for a methane digester project to reduce nutrient loading associated with toxic algae blooms, like the cyanobacteria in Grand Lake St. Marys. The funding was awarded through a competitive process under the Natural Resource Conservation Service's Conservation Innovation Grant (CIG) program.

At the recent annual Legislative Summit of the National Conference of State Legislatures (NCSL) in San Antonio, Michael Fallon, director of programs for the Southwest Division of the U.S. Army Corps of Engineers (USACOE) and Jim Keaty, of the Wetlands Division of the Office of Water in the U.S. Environmental Protection Agency (USEPA) discussed the implications of variable water laws for states.

PEOPLE

The Ohio Department of Natural Resources' Division of Wildlife said Tuesday it is promoting two employees: Sue Howard to assistant chief of operations and Tom Rowan to assistant chief of programs.

Kathleen Burke, former director of the Ohio Lottery Commission, was appointed as a federal magistrate for the U.S. District Court for the Northern District of Ohio.

The Ohio Farm Bureau Federation (OFBF) said Thursday it has hired Spencer Waugh as legislative relations director and Jason Stasiulewicz as systems administrator.

POLITICS

The Libertarian National Committee (LNC) said it will hold its 2014 convention at the Hyatt Regency in Columbus on June 27-30. Dallas and Cincinnati were the other cities in the running.

REDISTRICTING/REAPPORTIONMENT

The Ohio Apportionment Board set a series of 11 regional hearings that began on Monday, Aug. 22 in Lima and Toledo and ended on Friday, Aug. 26 in Newark and Columbus.

The Ohio Campaign for Accountable Redistricting released the winning maps from its competition to draw new House and Senate district lines, with Illinois State Rep. Mike Fortner repeating his victory from a previous contest hosted by former Secretary of State Jennifer Brunner. Campaign organizers said the submitted maps are proof that competitive maps can be drawn.

The Democratic leaders of the General Assembly said Thursday that they are introducing legislation that would require the Ohio Apportionment Board to make new state legislative district maps available for public input before the required approval deadline.

STATE GOVERNMENT

The Ohio General Assembly may give the Ohio Department of Commerce more flexibility in advertising unclaimed funds in Ohio newspapers after Sen. Chris Widener (R-Springfield) suggested the state may be paying too much money for it at the Controlling Board meeting on Monday. The board went on to authorize the spending of \$319,000 for advertising of unclaimed funds for FY12 only, once department officials said it is needed to meet current state law before November.

The Ohio Department of Commerce released a list of the five most prevalent scams to warn Ohioans of potential risks amid tumultuous markets. The most popular scams are ponzi schemes; unlicensed and unregistered sales; affinity fraud; promissory notes; and distressed real estate schemes.

The Industrial Commission Nominating Council must send Inspector General Randy Meyer a plan for how it will timely forward the names of potential commission members to the governor's office, after Meyer released an investigatory report this week showing the council twice missed statutory deadlines.

TAXATION

Lawmakers heard a briefing on the history of the 2005 tax overhaul as well as exhortations for simplicity, regionalism and relief for fuel retailers at the launch of the House Study Committee on Ohio's Tax Structure.

UNEMPLOYMENT COMPENSATION

Despite efforts by a number of human service advocates including Policy Matters Ohio since 2009 when the federal stimulus provisions in the American Recovery and Reinvestment Act were first enacted, introduction of state legislation, the state's borrowing of approximately \$2.6 billion so far to cover its unemployment compensation costs and an increasing unemployment rate, Monday's deadline for the state's applying to receive \$176 million in additional unemployment comp (UC) funding came and went. Opponents of applying for the funds cited its one-time only availability and the wisdom of expanding a program "\$2.6 billion in debt."

UTILITIES

The Consumers' Counsel Governing Board gave high marks to Consumers' Counsel Janine Migden-Ostrander and her deputy, Bruce Weston, at a special meeting called to evaluate their performance.

American Electric Power (AEP) has won its latest legal battle with industrial consumers over rate discounts to selected companies that are then passed on to others with interest. The Ohio Supreme Court Wednesday rejected Industrial Energy Users-Ohio's (IEU) argument that the electric giant is overcharging

commercial customers for lost "delta revenue," and with the blessing of the Public Utilities Commission of Ohio (PUCO). R.C. 4905.31 allows power companies to recover the rate discounts through an "economic development cost recovery rider" on other customers' electric bills. AEP granted the discounts to Ormet Primary Aluminum Corp. and Eramet Marietta Inc. to stimulate job creation in Appalachian Ohio.

WORKERS COMPENSATION

The Ohio's Bureau of Workers' Compensation (BWC) unveiled a proposal at its Actuarial Committee Thursday that, if approved by the BWC Board of Directors, would offer new employers in the state a 25 percent discount on their workers' compensation premiums for two years, or give them immediate access to participation in the Group Experience Rating Program, which could mean a discount in their premium of as much as 51 percent for the July 1, 2011 policy year.