

Legislative Update

October 2022



State of Ohio Tracked Bills – Active

- HB726 PROPERTY TAX FREEZE AUTHORIZATION (PATTON T)** To allow certain counties to authorize a property tax freeze for certain owner-occupied homes.
- HB738 POSTCONVICTION RELIEF (LELAND D, HICKS-HUDSON P)** To make changes to the law regarding post-conviction relief proceedings and to establish the Ohio Innocence Commission.
- SB365 FREE MARKET CAPITALISM (WILSON S)** To incorporate free market capitalism content into the high school financial literacy and entrepreneurship standards and model curriculum.

State of Ohio Tracked Bills - Inactive

- HB422 BILLING - MUNICIPAL SERVICES (FRAIZER M, WEST T)** Regarding limitations on recovery and lien imposition by municipalities against property owners of non-owner-occupied properties for unpaid water, sewer, and disposal services rates and charges.
Current Status: 5/25/2022 - Referred to Committee Senate Local Government and Elections
- HB512 POLICE, FIRE PENSION FUND (ABRAMS C, BALDRIDGE B)** To increase employer contributions to the Ohio Police and Fire Pension Fund.
Current Status: 3/30/2022 - House Insurance, (Second Hearing)
- HB519 MUNICIPAL INCOME TAX FILINGS (ROEMER B, LANESE L)** To modify the law regarding extensions for filing municipal income tax returns and to limit penalties for late filings.
Current Status: 4/6/2022 - Referred to Committee Senate Ways and Means
- HB563 LIMIT LOCAL REGULATION OF SHORT-TERM RENTAL PROPERTY (FOWLER S, FERGUSON R)** To limit local regulation of short-term rental property.
Current Status: 5/10/2022 - **REPORTED OUT**, House State and Local Government, (Fourth Hearing)

Legislative Report

Economic Development

Honda and LG Energy Solution's investment of over \$4 billion for electric vehicle production is expected to receive \$156.3 million in state incentives, including an estimated \$71.3 million in expanded Job Creation Tax Credits. Ohio Department of Development (DOD) Chief Communications Officer Todd Walker said that the tax credit would be considered at an upcoming meeting of the Ohio Tax Credit Authority (TCA). It is for 1.871 percent over 30 years and is performance-based. That will require fulfillment of job creation and payroll commitments as well as annual reports that verify progress. The project is expected to involve investment of at least \$4.2 billion and creation of over 2,500 jobs. DOD is also working with the General Assembly for state investment of \$85 million in local water and transportation infrastructure upgrades that ensure project success and benefit local communities.

Employment/Unemployment

According to new figures released Friday, Oct. 28, by the Ohio Department of Job and Family Services (ODJFS), the state's unemployment rate remained at 4 percent in September. The state lost 7,600 nonagricultural wage and salary jobs over the month. The number of workers unemployed in Ohio in September was 232,000, up from 229,000 in August. The number of unemployed has decreased by 38,000 in the past 12 months from 270,000. The September unemployment rate for Ohio decreased 0.7 percent from 4.7 percent in September 2021. The U.S. unemployment rate for September 2022 was 3.5 percent, down from 3.7 percent in August 2022, and down from 4.7 percent in September 2021.

Housing/Homelessness

The Ohio Department of Development (DOD) announced Friday, Oct. 28, that it would distribute \$20 million in funds to 28 communities, improving affordable housing and providing homeownership and rental assistance for low- and moderate-income families. The Community Housing Impact and Preservation (CHIP) program partners with communities to preserve and improve Ohio's affordable housing stock through a variety of housing-related initiatives that include home renovation and repair as well as rental assistance. "This funding will support the ongoing work of local communities to strengthen their neighborhoods and give residents access to a variety of housing options." Lt. Gov. Jon Husted added that as communities increase their workforce, housing and homeownership need to increase as well.

Dublin Judge Enjoins State Law Preempting Local Gun Restrictions

A Franklin County judge, on Thursday, Nov. 3, put a hold on a controversial law preempting local governments from enacting firearm restrictions.

The preliminary injunction issued against the law (HB228, 132nd General Assembly) comes more than three years after the legal challenge was first filed in court by the City of Columbus. Judge Stephen McIntosh found the city was likely to succeed on the merits of its claim that the law violates the home rule provisions of the State Constitution. He specifically noted that the law provides a private cause of action to a person, group or entity adversely affected by a local government ordinance later found to conflict with it. "At the preliminary injunction hearing on this matter, the State was unaware of any other state statutes that allowed private citizens or organizations to sue municipalities for promulgating laws later determined to conflict with state

law," he wrote. "As such (the law) appears to be the only such state statute that imposes civil liability for passing a law which may later conflict with the state law."

Attorney General Dave Yost said the state would appeal the ruling. "The City of Columbus remains part of the State of Ohio and subject to its laws," he said in a statement. Judge McIntosh also warned that language in the Revised Code "would effectively end home rule as the threat of litigation from third parties would always be present."

Columbus City Attorney Zach Klein said he will next ask the court to permanently block the law. "Self-governance is the bedrock of our nation, the belief that citizens should have the right to come together to decide what's best for their community," he said in a statement. "Today's ruling upholds our constitutional right to home rule, and with it, the people's right to push for commonsense measures to reduce gun violence and keep our kids and communities safe."

The lawsuit was first filed in March 2019. Mr. Klein also announced that he will seek to dismiss a lawsuit filed last week in the Ohio Supreme Court asking it to compel a decision from Judge McIntosh. The court's ruling was blasted by the Buckeye Firearms Association. "Preemption is settled law in Ohio. And the Ohio Supreme Court has already ruled on it. This is yet another attempt by the city of Columbus to override state law and pass gun control laws they have no right to pass," Executive Director Dean Rieck said in an email. "The city ran a study not so long ago that showed where most of the violence is coming from in the city, so what are city officials doing about that? Why do they insist on passing laws that affect the law-abiding and which criminals will never obey? Why don't they focus their efforts on the real criminals?"

The law nearly failed to come to be after then-Gov. John Kasich vetoed it in bill form. However, his veto was ultimately overridden in both chambers.

Pensions

Gloomy expectations for the financial outlook of the Ohio Police & Fire Pension Fund brightened this week with better-than-expected figures in the latest three-year actuarial valuation, but system leaders are still looking to the General Assembly for an employer contribution rate hike. After the fund dropped its long-term investment return assumption from 8 percent to 7.5 percent earlier this year, actuarial firm Cavanaugh McDonald submitted preliminary estimates predicting that OP&F would be on track to pay down its unfunded liabilities within 39 years, outside the statutory requirement of 30 years or less. However, formal estimates reviewed by the OP&F board this week and sent to the Ohio Retirement Study Council put the system on track to pay down liabilities in slightly over 28 years.

Redistricting/Reapportionment

House Speaker Bob Cupp (R-Lima) and Senate President Matt Huffman (R-Lima), along with their Ohio Redistricting Commission designees Sen. Rob McColley (R-Napoleon) and Rep. Jeff LaRe (R-Canal Winchester), announced Friday, Oct. 21, that they filed an appeal with the U.S. Supreme Court over Ohio's congressional redistricting map. The Ohio Supreme Court invalidated the second congressional map adopted by the Ohio Redistricting Commission in July and ordered Ohio lawmakers to draw a new one. Cupp and Huffman, however, argued that the deadlines for drawing new maps do not kick in until after an appeal to the U.S. Supreme Court is adjudicated or a deadline to file an appeal passes, which they said was Oct. 19. The

legislative leaders said in August that the case has similar issues as *Moore v. Harper*, a redistricting case out of North Carolina already before the U.S. Supreme Court that will address the "independent state legislature theory" that argues the U.S. Constitution puts the power to determine issues around federal elections solely with state legislatures. In a statement released Friday, the legislative leaders said, "Today, we've asked our nation's highest court to review the Ohio Supreme Court's decision regarding Ohio's congressional map, a decision which we believe is fundamentally flawed. While many believe that the Ohio Supreme Court majority misinterpreted state law, there is also the broader concern that the Court assumed a role the federal constitution does not permit it to exercise. This is a matter that needs resolution by our nation's highest court. The United States Constitution expressly puts the responsibility to prescribe 'The times, places, and manner of holding elections for senators and representatives ...' with the legislature of each state. As our petition lays out, the 4-3 decision of the Ohio Supreme Court encroached on this legislative authority in multiple ways, and that action deserves to be tested in the U.S. Supreme Court. Our appeal today sets that process in motion."