

OHIO ASSOCIATION OF PUBLIC TREASURERS

Kent Scarrett
April 2024



What to Expect



- **OML Overview**
- **Statehouse Environment**
- **Municipal-related Legislation**
- **Additional Updates**



What is OML?

The primary connection point between municipal and state government in Ohio

- Created as a non-profit in 1952
- Over 730 cities and villages as members
- Lobbying / Advocacy
- Training Events & Best Practices
- 24-member Board of Trustees
 - Current Chair – Centerville Deputy Mayor Belinda Kenley

Subsidiary Member Organizations

Mayors Association of Ohio

Municipal Engineers Association of Ohio

Municipal Finance Officers Association of Ohio

Ohio Association of Public Safety Directors

Ohio Municipal Attorneys Association

Ohio Municipal Clerks Association

OML Board of Trustees



- President Belinda Kenley – Centerville Council
- 1st Vice President Donald Mason – Zaneville Mayor
- Mike Barhorst – Sidney Mayor
- Justin Bibb – Cleveland Mayor
- Sharon Cassler – Cambridge Clerk of Council
- Rod Davisson – Obetz City Manager
- Terrence Donnellon – Montgomery Law Director
- Luke Feeney – Chillicothe Mayor
- Jeff Gaskin – South Point Mayor
- Marc Glotzbecker – Gibsonburg Village Administrator
- Chris Kerby – South Zanesville Fiscal Officer
- Steven Mientkiewicz – Niles Mayor
- Sean O’Donnell – Defiance Law Director
- Steve Patterson – Athens Mayor
- Carrie Schlade – Bryan Mayor
- Craig Sherman – Minster Council
- Matt Starr – Mount Vernon Mayor
- Tracey Wonner – Lisbon Fiscal Officer
- Pat Titterington – Troy Director of Public Service and Safety



Statehouse Environment

- **135th Ohio General Assembly**
- **Supermajority of Republicans**
 - Senate – 26 Republicans; 7 Democrats
 - House – 67 Republicans; 32 Democrats
- **Predominantly rural**
- **16 bills signed into law** (three on the way)

Legislative Leadership



Senate President Matt Huffman
R-Lima, Allen County



House Speaker Jason Stephens
R-Kitts Hill, Lawrence County

OML Advocacy & Legislation

109

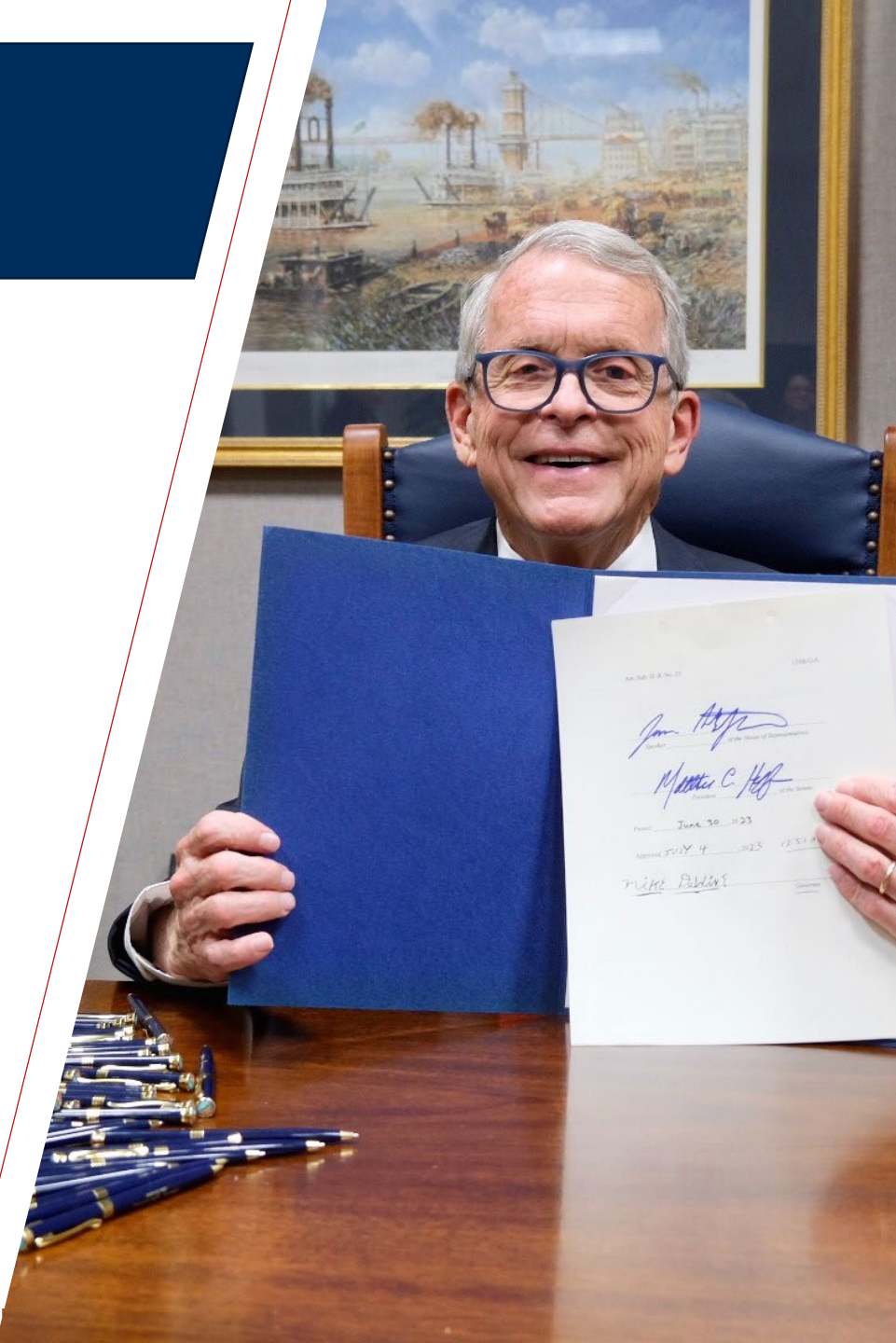
**BILLS
TRACKED**

28

**TESTIMONY
FOR BILLS**

Signed: State Operating Budget – HB 33

- **\$86 billion total**
- **44 line-item vetoes, including preemption on local tobacco regulation**
- **\$3 billion state income tax cut**
- **Included provisions on municipal income taxes, Local Government Fund, infrastructure and development, housing, public safety and more**



Tobacco Preemption Override

The Ohio House (in December) and Ohio Senate (in January) voted to override Gov. DeWine's veto of a provision in the state operating budget related to flavored tobacco, health licenses, and more.

Legislators voted to preempt municipalities by blocking stricter local tobacco laws than the state, including flavor bans.

Lawsuit filed by over a dozen municipalities, led by City of Columbus, saying the preemption violates Home Rule Authority.



LGF in the State Operating Budget



- Increase to the LGF percentage
 - 1.66% of general revenues → 1.7%
- Some OML members have reported receiving reduced distributions
 - reduced general revenues at the state level due to the income tax cut,
 - adjustment to the floor for county undivided local government funds,
 - natural fluctuations in the economy.

LGF Penalties



Senate Bill 137

Prohibit ranked choice voting by withholding LGF distributions from municipalities that would opt to use it under their home rule authority

- Third hearing in the Senate General Government Committee

House Bill 280

Require municipalities with a lead abatement program to issue or deny a certification indicating that a property is safe from lead hazards within 30 days or face LGF reduction

- Third hearing in House Ways and Means Committee

House Bill 475

Allow the state to withhold LGF distributions from communities that have created pots of money to help women obtain abortions

- Introduced April 2024

Signed: Village Dissolution– HB 101

- Relates to village dissolution process
- Includes fix to increase the competitive bidding threshold for villages to \$75,000 w/ annual increase
- Tweaks to Next Gen 911 fees
- Effective April 30, 2024



House Preemption Bills



HB64

Modifies **eminent domain** and preempts **recreational trails** as a “public use”

Fifth hearing in House Civil Justice Committee

HB87

Prohibits political subdivisions from **purchasing a United States or Ohio flag** that was not made in the United States

Passed by House Government Oversight Committee

HB180

Prohibits municipalities from **imposing a curfew** except for those under 18 or during a clear and present emergency.

First hearing in House Government Oversight Committee

HB442

Requires that all **public parking meters** in Ohio have the option to submit payment via credit card or coin.

Introduced in March 2024 / Referred to State & Local Government Committee

Senate Preemption Bills



SB58

Prohibits municipalities from enacting measures at the local level that would require someone to have **firearm liability insurance** or pay a fee related to the possession of firearms, their associated parts and components, and knives.

*Passed by Senate /
Third hearing in House
Insurance Committee*

SB158

Prohibits municipalities from having a charter provision or ordinance that allows for the disbursement of funds to be determined by a vote of its residents, also known as **participatory budgeting**.

*Passed by Senate /
Second hearing in
House Government
Oversight Committee*

A Non-Preemption Bill – HB443

- Restores local regulation of pet stores by repealing state preemption
- Preemption law was enacted through Senate Bill 331 in 2016
- Aimed at preventing dogs being sold from puppy mills to customers who are not aware of where the dogs came from -- potentially being raised in inhumane conditions that lead to the sickness or death of the dogs.



Property Tax → Income Taxes



Joint Committee on Property Tax Review and Reform

- Tasked with reviewing Ohio's property tax system and making recommendations to the General Assembly
- Witnesses have included Ohio Chamber of Commerce, Ohio Business Roundtable, National Federation of Independent Business, Tom Zaino, and others

2022 Ohio Economic COMPETITIVENESS STUDY



An analysis of issues to advance Ohio in a complex global economy

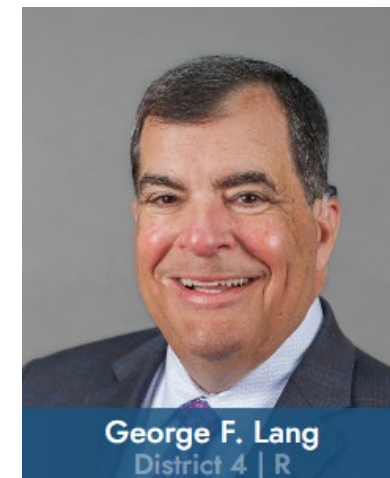


State Income Tax – HB386 / SB216



- To phase-out the state income tax on nonbusiness income over six years and to repeal the commercial activity tax after 2029

- *First hearing held for HB386*



Ohio Police & Fire Pension – HB296



- To increase contribution amounts that employers of full-time municipal police officers must make to the Ohio Police and Fire Pension Fund from 19.5% to 24% over four years
- *Fifth hearing in House Pensions Committee*



Cindy Abrams
District 29 | R



Thomas Hall
District 46 | R

State/Municipal Government Commission– HB304



- A bipartisan commission tasked with analyzing state and municipal laws and regulations' effects on home rule, as well as collaboration and revenue-sharing opportunities among government entities
- *No hearing.*





Marijuana

- House and Senate reaching no agreement on changes related to the recreational marijuana law that took effect through Issue 2.
- Senate passed its own version of changes in early December through House Bill 86, a liquor control bill
- House's preferred vehicle, House Bill 354, had two hearings
 - Administrative rulemaking in progress, with permits being issued as early as June

Housing in Ohio...

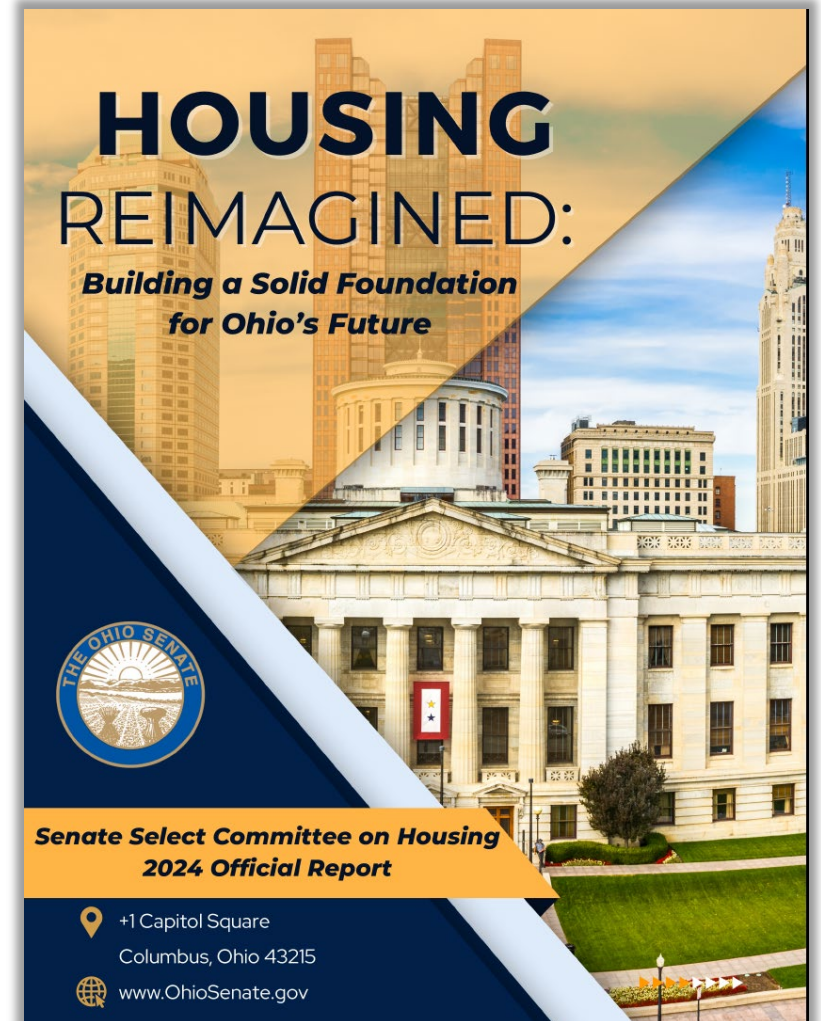
- In Central Ohio alone:
 - The region is driving Ohio's economic growth but is slowing down due to a lack of housing
 - The population grew by 17.4% over the last decade but is behind Austin at 40%, Indianapolis at 21%, Charlotte at 56% and Nashville at 28%
 - The region needs 18,000 new residential permits but only is creating 13,000 permits annually, driving up housing costs with listing price increases higher than Austin, Nashville, and Charlotte
- Rural Ohio counties-2.4% population decline creates challenges recruiting housing developers even though they led the state in manufacturing jobs
- Ohio's property tax rates are almost double the rates of Indiana, North Carolina, and Tennessee
- Ohio is among a minority of states to have townships and to permit them to regulate zoning and to permit zoning referendums



Senate Housing Recommendations



- Ohio Senate Select Committee on Housing created to discuss the housing crisis from a variety of perspectives and make recommendations on what the state can do to help alleviate the problem
- 12 hearings, including Cincinnati, Lima, Cleveland, and Marietta
- Report issued in April 2024 includes 23 recommendations
 - Metrics dashboard, toolkit for local govts, zoning, alternative housing, capacity building grants, YIMBY campaign, and more



New Senate Housing Legislation



SB243 - Intent to Address Zoning Regulations

Intent to enact legislation addressing local zoning regulations that impede the development of housing in this state

SB244 - Property Tax - Residential Stability Zones

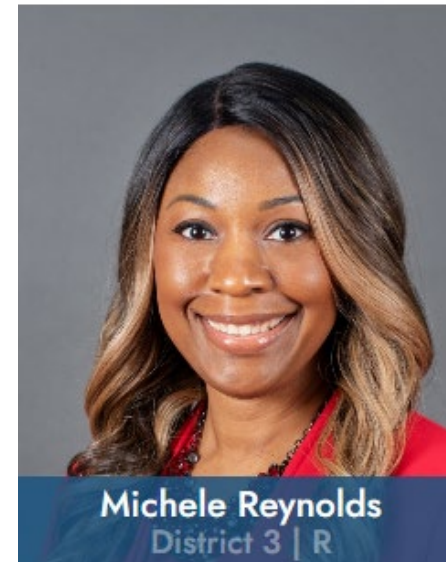
To authorize local governments to create residential stability zones where homeowners may qualify for a partial property tax exemption

SB245 - Revise ORC Housing Laws

To revise the law governing eviction, real estate representation agreements, residential building code enforcement, and real property transfers

SB246 - Rename Department to Housing and Development

To rename the Department of Development the Department of Housing and Development and to otherwise modify the law related to housing



New House Housing Legislation – HB499



- Provide incentive for local governments to further address the state's housing supply shortage
- Creates a grant program through the Ohio Housing Finance Agency for municipalities and townships to receive further funding to increase housing supply after they have adopted and implemented at least three housing policies from a menu of 12 available options
- Options include speeding up permit process, readying development sites, having a housing plan, allowing for additional types of housing, and more



Adam Mathews
District 56 | R



Dani Isaacsohn
District 24 | D

Capital Budget / Appropriations



- Capital Budget vs. One-time Strategic Community Investments Fund
- House passed House Bill 2, to fund half the \$700 million One-Time Strategic Community Investments. The overall bill totals \$2 billion and includes other bond-backed funding.
- Senate amended House Bill 27 -- a bill dealing with financial transparency at colleges -- to include \$1.4 billion in appropriations.
- Legislative goal to pass something by the end of June.

Looking ahead...

- **Few session days before summer**
- **General election**
- **Lame-duck session**

What can you do to help?

- **Messaging**
- **Testimony**
 - In person or written
- **Stay Informed**
 - Legislative Bulletin
 - Webinars
 - Email ListServ
 - Statehouse Leaders Academy



Statehouse Leaders Academy



- Prepare current municipal leaders to be the next generation of state legislators
- A bipartisan cohort of municipal leaders with interest in learning more about the overlap of state/municipal government and want to know more about the process of potentially seeking election to the Ohio Statehouse
- Quarterly briefings on specific topics, including policy review, budgeting, and elective process

The graphic features a background image of the Ohio Statehouse building. In the top left corner is the OML logo. The title 'Statehouse Leaders Academy' is prominently displayed in a large, blue, sans-serif font. Below the title is a short introductory paragraph. The main content is organized into three columns: 'Municipal Perspective', 'Topics to be Addressed', and 'What to Expect'. Each column contains several sub-sections with icons and brief descriptions. At the bottom, there is a 'Contact Us' section with a phone number and a website URL.

Statehouse Leaders Academy

The Ohio Municipal League's Statehouse Leaders Academy will be a bipartisan cohort of Ohio municipal leaders who have an interest in learning more about the role and importance of state government in the successful operation of municipal government and who might have interest in seeking election to the Ohio General Assembly in the future.

Municipal Perspective

Whether changes to local tax policy, attacks on Home Rule, and even the shifting of additional pension burdens onto municipal taxpayers, the state has a great impact on cities and villages. Too few municipal leaders understand the operations of state government, and too few members of the Ohio General Assembly have experience and perspective as municipal leaders. The purpose of the Statehouse Leaders Academy is to provide broader perspective and prepare Ohio's up-and-coming legislators.

What to Expect

Webinars

For the convenience of municipal leaders and their busy schedules, we will predominantly stick to virtual opportunities -- likely once per quarter.

In-person Briefings

We still want to see you in person from time to time. Our plan is to align these briefings with other OML events, such as our Annual Conference.

Relevant Speakers

There are a lot of topics to cover, and we will make sure you are getting the latest information from those who best know the subject matter.

Regular Communication

The academy will be an ongoing process. We aren't focused on a specific election year, but rather on developing future leaders at the state level who understand the needs of municipalities. We welcome regular, two-way communication with those interested in higher office.

Topics to be Addressed

State Municipal Public Policy Review

One of the most important aspects of the state and local partnership is understanding exactly how the two levels of government overlap -- especially as it relates to municipalities.

Statehouse Stakeholders & the Ohio Legislative and Elective Process

Who's who in state government? Learn more about individuals who have important roles in how government functions and how members of the Ohio General Assembly run for office.

State Budgeting 101

Understanding state budgeting lays the foundation for seeing overlap between state government, municipalities, economic development, energy, education, healthcare, and other public policy.

Contact Us

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THANK YOU!

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