

## Executive

## As Passed by the House

LOCCD8

Legal Publication in a Newspaper

R.C. 7.12, 7.16

(1) Revises the definition of a newspaper or newspaper of general circulation to a publication that has at least 25% editorial, non-advertising content, and that has a circulation of at least 50% of the households in the newspaper's retail trade zone.

(2) No provision.

(3) Notwithstanding any statute or rule that requires a state agency or political subdivision to publish a notice in a newspaper of general circulation, allows state agencies or political subdivisions to publish public notices on the state public notice web site the bill requires DAS to establish under R.C. 125.182 in lieu of publishing them in a newspaper. Specifies, however, that an entity that publishes a required notice on the web site must also publish an abbreviated notice in a newspaper providing a brief summary of the notice, a reference to the web site

R.C. 7.12, 7.16, 125.182, and numerous other sections; Repealed: R.C. 7.14 and 701.04

(1) Replaces the Executive provision with provisions that revise the requirements for a newspaper to qualify as a "newspaper of general circulation" in which political subdivisions and state agencies publish public notices and advertisements and apply that definition anywhere that term is used in the Revised Code. Includes a minimum of 25% editorial content as one of the requirements. Authorizes mediation under a program operated by the court of common pleas if a newspaper's qualifications as a newspaper of general circulation are in question.

(2) Requires each newspaper to establish a "government rate" for publication of political subdivision public notices and advertisements, which cannot exceed the lowest classified advertising rate and lowest insert rate paid by other advertisers, and to post the notices and advertisements free on the newspaper's Internet web site, if the newspaper has one.

(3) Replaces the Executive provisions with the following:  
 (A) Specifies that if a statute requires a state agency or political subdivision to publish a notice or advertisement two or more times in a newspaper and if the statute requiring such publication refers to R.C. 7.16, the state agency or political subdivision may use an alternative publication procedure to satisfy the multiple publication requirement by publishing the first notice or advertisement in its entirety in a newspaper of general circulation, which may be made in a preprinted insert, and by publishing a

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address for the state public notice web site where the complete notice may be found, and a telephone number to call for more information. Authorizes a municipal corporation, county, or other political subdivision that is required by law to make a legal publication in a newspaper to use an insert placed in the newspaper.

(4) No provision.

(5) No provision.

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second, abbreviated notice or advertisement in a newspaper of general circulation in the state (for a state agency) or in the political subdivision, and on the newspaper's web site, if there is one. (B) Specifies that the state agency or political subdivision may eliminate any required further newspaper publications if the second, abbreviated notice or advertisement meets certain criteria, including that (1) it was published in the newspaper in which the first notice or advertisement was made and is published on that newspaper's web site if there is one and (2) it refers to a web site operated and maintained by the state agency or political subdivision, or the state public notice web site the bill requires DAS to establish, on which the entire notice or advertisement must be posted. (C) Prohibits a state agency or political subdivision from publishing a notice or advertisement under R.C. 7.16 if the state agency or political subdivision does not or ceases to operate and maintain a web site and if the state public notice web site is not operational.

(4) Eliminates the requirements that certain notifications be made in newspapers of opposite politics, in two newspapers, or in newspapers with second-class mailing privileges and instead requires these notices to be made in a newspaper of general circulation in the political subdivision.

(5) Allows county auditors to charge a land or home owner a flat fee for the cost of publishing the land or home on the delinquent real property or delinquent manufactured home tax lists, and to place the fee as a lien on tax delinquent parcels or manufactured homes if it is not paid.

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(6) No provision.

(6) Authorizes publication of a summary of a local government's ordinance, resolution, or rule in a newspaper of general circulation, rather than the entire ordinance, resolution, or rule.

**Fiscal effect: These provisions generally ease restrictions placed on state agencies and local governments related to public notifications in newspapers, which could result in savings. Although political subdivision public notice costs are unknown, state agencies paid approximately \$4.1 million in public notice advertising costs in FY 2010.**

**Fiscal effect: Same as the Executive, but as a result of the new government rate schedule, there could be additional savings in public notice advertising costs for political subdivisions over the amounts in the As Introduced bill.**

LOCCD9

Commercial Advertising on State Agency and Political Subdivision Web Sites

R.C. 9.03, 9.031

Authorizes state agencies and political subdivisions to adopt rules (in the case of state agencies) or resolutions (in the case of political subdivisions) to authorize commercial advertising on state agency and political subdivision web sites. Requires the rules or resolutions to specify the persons authorized to place the advertising on the web sites, the criteria for choosing advertisers and types of permissible advertisements, the requirements and procedures for making requests for proposals under the authority to place commercial advertisements on web sites, and any other necessary requirements and limitations for the authorization.

Modifies the current prohibition against commercial advertising by political subdivisions by allowing commercial advertising as long as it is posted on a political subdivision's web site in compliance with the authorization under the bill.

R.C. 9.03, 9.031

Same as the Executive.

Same as the Executive.

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**As Passed by the House**

**Fiscal effect: The provision would increase revenues for those entities that chose to offer advertising on their web sites.**

**Fiscal effect: Same as the Executive.**

**LOCCD5 Intergovernmental Shared Services**

**R.C. 9.482**

Grants authority for political subdivisions to enter into contracts with one another to provide services, and specifies, in order to receive a service, a contracting recipient political subdivision must otherwise have the legal authority to exercise, perform, or render the service, and requires the legislative authorities of the contracting subdivision to approve the participation.

Provides that the political subdivision tort liability law applies to political subdivisions that are parties to an agreement and to their employees when they are rendering a service outside the boundaries of their employing political subdivisions under an agreement.

Allows employees acting outside the boundaries of their employing political subdivision, while providing a service under an agreement, to participate in any pension or indemnity fund established by the political subdivision to the same extent as while they are acting within the boundaries of the political subdivision, and entitles them to all the rights and benefits of the Workers' Compensation Law to the same extent as while they are performing a service within the boundaries of the political subdivision.

**Fiscal effect: Presumably this authority would be used when the services could be provided at a lower cost.**

**R.C. 9.482**

Same as the Executive, but requires political subdivisions that enter into an agreement for joint services under the bill to first obtain the written consent of a non-participating subdivision if the agreement is to be performed within that non-participating sub-division.

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

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LOCCD24 Local Governments in Fiscal Distress

R.C. 118.023, 118.025, 118.04, 118.05, 118.06,  
118.12, 118.31, 118.99

No provision.

Creates the designation of "fiscal caution" that applies to municipal corporations, counties, and townships (referred to as political subdivisions in this entry) and requires the Auditor of State to develop guidelines for identifying fiscal practices and budgetary conditions of these political subdivisions that, if uncorrected, could result in a future declaration of fiscal watch or fiscal emergency. Authorizes the Auditor of State to declare these political subdivisions to be under fiscal caution if any of those practices or conditions exist.

No provision.

Requires the Auditor of State to notify a political subdivision of a declaration of fiscal caution and to request written proposals for discontinuing or correcting the fiscal practices or budgetary conditions that prompted the declaration.

No provision.

Permits the Auditor of State to visit and inspect any political subdivision declared to be under a fiscal caution, and permits the Auditor to provide technical assistance to eliminate the practices or budgetary conditions that prompted the declaration of fiscal caution. Allows the Auditor to (a) determine whether reasonable proposals have been made or actions have been taken to discontinue or correct the practices and conditions, and (b) if necessary, declare the political subdivision to be in a state of fiscal watch.

No provision.

Requires the Auditor of State to seek from a political subdivision in fiscal watch a financial recovery plan that identifies actions for eliminating the conditions that

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No provision.

prompted the declaration, including dates of the commencement and completion of those actions, as well as a five-year forecast reflecting the effects of the actions.

Requires the Auditor of State to review and approve the financial recovery plan of a political subdivision in fiscal watch, and if the Auditor determines that a feasible financial recovery plan has not been submitted within 120 days of the declaration of fiscal watch, or within any extension of time granted, authorizes the Auditor of State to declare a state of fiscal emergency.

No provision.

Makes the following changes in current law that apply to political subdivisions in fiscal emergency:

(2) No provision.

(1) Revises the composition of, and reduces the number of members on, a financial planning and supervision commission established when a political subdivision is declared to be in fiscal emergency.

(3) No provision.

(2) Requires that the Auditor of State, rather than a financial planning and supervision commission as under current law, serve as the financial supervisor for villages or townships with a population of less than 2,500 that are in fiscal emergency.

(4) No provision.

(3) Requires that a political subdivision's financial plan include a five-year forecast reflecting the effects of the actions specified in the plan and that the plan be updated annually.

(5) No provision.

(4) Requires that, upon certification of the commission, all state funding for a political subdivision (except for benefit assistance to individuals) that fails to submit a financial plan, or fails to substantially comply with it, be escrowed until a plan is submitted or compliance is achieved.

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| (6) No provision. | (5) Permits a commission to limit expenditures from any political subdivision fund if deemed prudent, instead of just general fund expenditures.  |
| (7) No provision. | (6) Provides for the dissolution of political subdivisions that are in fiscal emergency and meet specified conditions.  |
| (8) No provision. | (7) Specifies that an officer of a political subdivision in fiscal emergency who is convicted of certain violations of current law is ineligible to hold any public office in Ohio or be employed by a public entity in Ohio for seven years after the conviction.  |
| No provision.     | Clarifies that the Auditor of State is to be reimbursed for any expenses incurred relating to a fiscal emergency or watch, including technical and support services, and that the Controlling Board must provide sufficient funds if necessary.   |
| No provision.     | Requires the Controlling Board to provide funds to cover the costs incurred by the Auditor of State relative to a fiscal caution determination.<br><br><b>Fiscal effect: The Auditor of State could incur costs for overseeing political subdivisions in fiscal watch or caution, although these expenses will be reimbursed by the Controlling Board. Political subdivisions could also incur costs for compliance, which would presumably be offset through the implementation of financial recovery plans.</b> |

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LOCCD11

Modified Work Week for Employees of Local Governments

R.C. 124.34, 124.394

Allows a county, township, or municipal corporation appointing authority to establish a modified work week schedule program for its exempt employees and requires all affected employees to participate in such an implemented program during FY 2012 and FY 2013.

Permits the program to provide for a reduction from the usual work week of exempt employees immediately before the establishment of the program, provided that the reduction in hours does not exceed more than 50% of the usual hours worked.

Permits the program to be administered differently among exempt employees based on classifications, appointment categories, or other relevant distinctions.

Specifies that after June 30, 2013, a county, township, or municipal corporation may implement a modified work week program that applies to its exempt employees in the event of a fiscal emergency.

**Fiscal effect: The provision will reduce personnel expenditures for those entities that implement a modified work week schedule program that reduces compensated hours for exempt employees.**

R.C. 124.34, 124.394

Same as the Executive.

Same as the Executive.

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

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## As Passed by the House

## LOCCD10 Mandatory Cost Savings Programs

R.C. 124.393

Extends, from through FY 2011 to FY 2013, the authority for a county appointing authority to establish a mandatory cost savings program in which its exempt employees must participate. Expands the program to apply to townships and municipal corporations.

Extends the period in which a cost savings days program may be implemented to FY 2014 or later.

**Fiscal effect: The provision could reduce personnel expenditures for those local governments that implement cost savings programs.**

R.C. 124.393

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

## LOCCD18 Maturity of Securities Issued by Counties for Real Property

No provision.

R.C. 133.20

Provides that general obligation bonds issued by a county to finance the acquisition or construction of real property may have a maximum maturity of up to 40 years, instead of 30 years under current law, if supported by a certification as to its estimated useful life.

**Fiscal effect: Allows counties to finance projects with lower debt service payments, but over a longer repayment period.**

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LOCCD2 County Centralized Services

R.C. 305.23

Authorizes a board of county commissioners to require county offices to use centralized purchasing, printing, transportation, vehicle maintenance, information technology (IT), human resources, revenue collection, and mail operation services.

**Fiscal effect: Using centralized services could reduce operating costs for county offices.**

R.C. 305.23

Same as the Executive, but removes IT services from the list of services that can be centralized by a board of county commissioners.

**Fiscal effect: Same as the Executive.**

LOCCD25 Regional Transit Authority Membership

(1) No provision.

(2) No provision.

R.C. 306.322, 306.55, 306.551

(1) Creates, until November 5, 2013, an additional procedure for political subdivisions, by means of a ballot issue, to join a regional transit authority (RTA) that levies a property tax and that includes a county having a population of at least 400,000 (effectively limits the application of these provisions to the Toledo Area Regional Transit Authority (TARTA)).

(2) Allows, until November 5, 2013, a political subdivision that is a member of such an RTA to withdraw from the authority by placing the issue on the ballot and allows a political subdivision that withdraws from an RTA after placing the issue on the ballot to contract for the provision of transportation services.

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**Fiscal effect: Uncertain.** If a community "opts-out" of TARTA, TARTA would experience both a loss of property tax revenue collected from the political subdivision and, presumably, a decrease in operations costs. If a community "opts-in," TARTA would gain property tax revenue and incur increased operations costs. In addition, there may also be some marginal increase in costs for the boards of elections of Lucas and Wood counties to put additional issues on local ballots.

LOCCD20 New Community Authority Law Changes

R.C. 349.01, 349.03, 349.04, 349.06, 349.07, 349.09, 349.14, 349.17, 323.78, Section 803.50

(1) No provision.

(1) Removes the sunset date for the amendments made to the New Community Authority Law by Sub. H.B. 313 of the 128th General Assembly and makes those changes applicable to all new community authorities (NCAs), and includes off-street parking facilities in the definition of "community facilities".

(2) No provision.

(2) Changes the organizational board of commissioners in cases where more than half of the proposed new community district lies within the boundaries of a municipal corporation, and clarifies that the alternative method of selecting successor trustees of the board of an NCA may be through elections, but that this is not the required method.

(3) No provision.

(3) Requires that certain filings be filed with or given by the clerk of the organizational board of commissioners instead of the clerk of the board of county commissioners when the board of county commissioners is not also the organizational board of commissioners.

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(4) No provision.

(4) Provides that a "proximate city" may be any municipal corporation in which any part of the new community district is located or, if more than half of the new community district is or was located within a joint economic development district, the township containing the greatest portion of the new community district. Requires a proximate city to affirmatively disapprove a petition on the basis of good cause shown in order to halt the organization proceedings for a new community and revises the time frame within which establishment petitions must be heard and decided.

(5) No provision.

(5) Provides that bonds and notes of an NCA are lawful investments for certain specified private and public entities and are acceptable as security for public moneys, and allows a county and an NCA to enter into an agreement that gives the NCA the authority to act on the county's behalf with regard to delinquent lands when a property has overdue community development charges. Provides that the agreement may permit the NCA to elect to invoke the alternative redemption period for a property that has been foreclosed on.

(6) No provision.

(6) Provides that, upon dissolution of an NCA, the property may vest in a township upon agreement of the township, and that a new community district not wholly contained in a municipality may be less than 1,000 acres if more than half of it is located within a joint economic development district.

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LOCCD13 Source of Township Fiscal Officer Compensation

R.C. 507.09

No provision.

Allows townships to pay a township fiscal officer from township funds based on the proportion of time the fiscal officer spends on activities related to each fund, instead of only the general fund as currently advised by the Auditor of State.

LOCCD29 Merger of Townships

R.C. 523.01, 523.02-523.08

No provision.

Authorizes one or more townships to merge into a contiguous township, creating a new township upon passage of a resolution by each townships' board of trustees, subject to referendum the voters.

No provision.

Requires each resolution to merge townships to list (1) the necessity for the merger, (2) the townships that will merge, (3) the official name of the new township, and (4) the boundaries of the new township.

No provision.

Requires that, upon certification of valid signatures for a referendum petition, a county board of elections place the merger question on the ballot in the same manner as regular elections for township officers, and that notice of the election be placed in a newspaper of general circulation for two consecutive weeks prior to the election.

No provision.

Authorizes electors of the townships to propose a merger by initiative petition.

No provision.

Requires merging townships to enter into a merger agreement, but if no agreement is entered into, requires the

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| No provision. | new township to function under default terms and conditions, or, if only a partial agreement is entered into, requires the new township to function under those default terms and conditions to which no agreement was reached.  |
| No provision. | Requires a merger agreement to set forth the (1) names of the former townships that were merged and the name of the new township, (2) the name of the new township and the location of its principal office, (3) territorial boundaries of the new township, (4) the governmental organization of the new township, and other details concerning the operation of and transition to the new township.  |
| No provision. | Requires the merged township to succeed the interests of each individual township, including all (1) money, taxes, and special assessments, (2) property and property interests, (3) rights and interests in contracts, securities, bonds or notes, (4) accounts receivable and rights of action, and (5) other matters not addressed in the merger agreement.   |
| No provision. | Specifies that for townships that cannot enter into a full merger agreement as discussed above, the following eight default terms and conditions apply:<br>(1) Members of each board of township trustees shall serve until the first general election after the merger, at which time there will be three trustees elected;<br>(2) The township fiscal officer of the largest township, by population, shall serve as the fiscal officer for the new township;<br>(3) Voted property tax levies shall remain in effect for parcels of real property to which they applied prior to the merger and will only apply until they expire;<br>(4) The township fiscal officer shall continue to track parcels of real property and the tax revenue generated on |

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those parcels for the purposes of retiring all debt obligations;

(5) The State Employment Relations Board, within 60 days of the merger, shall designate the appropriate bargaining units for employees of the new township and conduct a representation election;

(6) If the boundaries of the new township are coextensive with a special purpose district that existed at the time of the merger, the special purpose district shall be dissolved into the new township;

(7) If the boundaries of the new township are not coextensive with a special purpose district, the new township shall remain in the existing special purpose district as a successor to the original township; and

(8) Zoning codes that existed at the time of the merger shall remain in effect after the merger, and the townships that existed before the merger shall be treated as administrative districts within the new township for the purposes of zoning.

**Fiscal effect: Depending on the merger agreement, and to the extent that services and operations can be consolidated while preserving existing revenue streams, this provision could result in reduced operating costs for the participating townships.**

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LOCCD27

## Municipal Corporation Securities

No provision.

## R.C. 717.08

Authorizes the largest municipal corporation located in the Southwestern portion of the state with a retirement system for its employees to enter into an agreement with the retirement system to issue securities for a single payment of its accrued liability to the system.

No provision.

Specifies that the agreement may provide for a reduction in the amount of the accrued liability owed to the retirement system based on the value to the system of receiving a single payment.

**Fiscal effect: Potential savings to such municipality if it chooses to issue pension obligation bonds to satisfy its portion of unfunded accrued liability to the system. Any savings would depend on the interest rates paid by the municipality on such pension obligation bonds versus the investment return assumed by the retirement system.**

LOCCD21

## Joint Projects by Contracting Subdivisions

No provision.

## R.C. 755.16

Authorizes educational service centers and state institutions of higher education to participate in joint projects with a joint recreation district and other contracting subdivisions, and adds educational facilities as one of the projects that may be jointly acquired, constructed, operated, or maintained.

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**Fiscal effect: Allows for construction and operating costs to be shared among additional political subdivisions, thereby reducing the expense for individual political subdivisions participating in these projects.**

**LOCCD4 Park Bid Threshold**

R.C. 755.29

Increases the competitive bidding threshold for contracts entered into by a board of park trustees for certain municipal park improvements from \$10,000 to \$25,000.

R.C. 755.29

Same as the Executive.

**LOCCD6 County Coroner Deposition or Testimonial Fees**

R.C. 2335.061, 2335.05, 2335.06

Permits a party in a civil action to subpoena a coroner, as defined by the bill, or deputy coroner at a trial, hearing, or deposition only upon filing with the court a notice with specified information.

R.C. 2335.061, 2335.05, 2335.06

Same as the Executive.

Requires a party that obtains the expert testimony to pay to the county treasury a "deposition fee" or a "testimonial fee," both as defined in the bill, and provides a procedure for determining such fees and for resolving disputes related to the notice and testimony.

Same as the Executive.

Excludes the above provisions from current law specifying the fees and mileage allowed for witnesses in civil cases.

Same as the Executive.

**Fiscal effect: Gain in new deposition or testimonial fees deposited into county general funds.**

**Fiscal effect: Same as the Executive.**

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LOCCD28      Collection of Felony Court Costs

No provision.

R.C.      2949.14

Removes the requirement that a prosecuting attorney examine and certify each item in the bill of costs prepared by the clerk of the court of common pleas upon the conviction of a nonindigent person for a felony.

**Fiscal effect: This would serve to expedite the process of submitting a bill, but otherwise has no fiscal effect**

LOCCD14      Township Tax Levy Expenses

No provision.

R.C.      3501.17

Provides that, when a county board of elections incurs expenses related to a township tax levy ballot issue, the township board of trustees may request that those expenses be withheld from the particular township fund to which the tax is to be credited.

**Fiscal effect: No net fiscal effect, but allows the costs to be allocated across applicable township funds. Under current law, the county auditor withholds election expenses from the township's next tax settlement, but nothing currently specifies which funds may be charged these expenses.**

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LOCCD7

Office Space for General Health Districts

R.C. 3709.34, 3709.341

Requires a board of county commissioners to provide office space and utilities to the county's general health district board of health through FY 2011, and to provide payments in FY 2012 through FY 2015 based on specified decreasing proportions of the estimated costs of office space and utilities, with no obligation to provide or make payments for office space and utilities after FY 2015.

Relieves a board of county commissioners of its obligation to provide office space and utilities if the board of health rents, leases, lease-purchases, or acquires office space on its own.

Authorizes a board of county commissioners to donate or sell property, buildings, and furnishings to any board of health of a general or combined health district.

**Fiscal effect: Reduction in costs for boards of county commissioners since they will pay a decreasing portion of costs for office space and utilities through FY 2015 and will not be required to pay any portion after that date.**

**Subsequent increase in costs for local boards of health in a general health district.**

R.C. 3709.34, 3709.341

Same as the Executive.

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive**

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LOCCD17 School District Transfers from Bond Retirement Fund

No provision.

R.C. 5705.14

Authorizes school districts to transfer money in a bond fund or bond retirement fund to a specific permanent improvement fund, if the county budget commission determines that the money transferred will not be required to meet the obligations payable from the bond fund or bond retirement fund. (Currently, surplus money in a bond fund must be transferred to the sinking fund or bond retirement fund, and surplus money in a bond retirement fund must be transferred to the sinking fund or, if there is no sinking fund, the surplus may be transferred to any other fund but only if the court of common pleas approves.)

**Fiscal effect: Revenue gain to certain permanent improvement funds if any transfer is made.**

LOCCD3 County Quarterly Spending Plans

R.C. 5705.392

Authorizes a board of county commissioners to adopt a quarterly spending plan the second half of the fiscal year for a county office, department, or division that has spent or encumbered more than six-tenths of the amount appropriated for personal services and payroll during the first half of the fiscal year.

No provision.

R.C. 5705.392

Same as the Executive.

Authorizes a board of county commissioners to adopt a spending plan or amended spending plan during any fiscal year, setting forth separately a quarterly schedule of expenses and expenditures of appropriations from any county fund, for any county office, department, or division

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that, during the previous fiscal year, spent 105% or more of the total amount appropriated by the board in the annual appropriation measure. Requires the plan to stay in effect for three fiscal years, or until the county officer of the office for which the plan was adopted is no longer in office, whichever is later.

LOCCD1 Enterprise Zone Extension

R.C. 5709.62, 5709.63, 5709.632

Extends the authority of local governments to offer Enterprise Zone economic development incentives from October 15, 2011 to October 15, 2012.

R.C. 5709.62, 5709.63, 5709.632

Same as the Executive.

LOCCD19 Delinquent Property Tax Certificates - Sales and Foreclosure Terms

R.C. 5721.30, 5721.31, 5721.32, 5721.37, 5721.38, 5721.42

No provision.

Authorizes county treasurers to shorten the deadline before which a tax certificate holder must initiate a foreclosure action to collect the taxes, from six years after the certificate was sold to three years.

No provision.

Authorizes the negotiated sale of tax certificates in accordance with the requirements for current sales at public auction.

No provision.

Authorizes tax certificates being sold at public auction to be advertised electronically.

**Fiscal effect: May reduce some public notice costs and expedite some foreclosures.**

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LOCCD16 County Sewer District Contracts

No provision.

R.C. 6103.04, 6117.05

Expands the scope of the contracting authority of a county sewer district by: (1) authorizing a board of county commissioners to convey, by mutual agreement, to a municipal corporation any part of water supply or sanitary facilities of the sewer district that are connected to facilities of the municipal corporation; and (2) authorizing a board to convey, by mutual agreement, to a municipal corporation water supply or sanitary facilities acquired or constructed by a county for the service of property located in the district that are also located in the municipal corporation or within an area that is incorporated as, or annexed to, the municipal corporation.

LOCCD23 Land Conveyance - Ripley Union Lewis Huntington School District

No provision.

Section: 753.20

Authorizes the Governor to execute a deed in the name of the state conveying to the Ripley Union Lewis Huntington school district, its successors and assigns, all of the state's right, title, and interest in certain real estate located in Brown County.

No provision.

Specifies the consideration for the conveyance is the mutual benefit accruing to the state and Ripley from the use of the real estate so that a water well may be constructed and operated.

No provision.

Requires Ripley to use the real estate to construct and operate a water well. Specifies that if Ripley ceases to use the real estate for the water well that all right, title, and

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| No provision.   | interest in the real estate immediately reverts to the state.<br>Requires Ripley to pay the costs of conveyance.   |
| No provision.   | Specifies that the section authorizing the land conveyance expires one year after its effective date.  |
| <b>LOCCD26 Land Conveyance from Kent State University to Jackson Township</b> |  |
| No provision.   | <p><b>Section: 753.23</b></p> <p>Authorizes the Governor to execute a deed in the name of the state conveying to the Board of Township Trustees of Jackson Township, its successors and assigns, all of the state's right, title, and interest in certain real estate located in Stark County.</p> |
| No provision.   | Specifies that the consideration for the conveyance is the mutual benefit accruing to the state and to Jackson Township from the use of the real estate for a fire station.  |
| No provision.   | Specifies that if Jackson Township ceases to use the real estate for a fire station, that all right, title, and interest in the real estate immediately reverts to the state.  |
| No provision.   | Requires Jackson Township to pay the costs of conveyance.  |
| No provision.   | Specifies that the section authorizing the land conveyance expires one year after its effective date.  |

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DASCD11 Construction Reform

R.C. 9.33, 9.331, 9.332, 9.333, 9.334, 9.335, 123.011, 126.141, 153.01, 153.03, 153.07, 153.08, 153.50, 153.501, 153.502, 153.51, 153.52, 153.53, 153.54, 153.55, 153.56, 153.57, 153.581, 153.65, 153.66, 153.67, 153.69, 153.692, 153.693, 153.694, 153.70, 153.71, 153.72, 153.73, 153.80, 3313.46, 3353.04, 3354.16, 3357.16, 4113.61, 5540.03, 6115.20, Section 701.10

R.C. 9.33, 9.331, 9.332, 9.333, 9.334, 9.335, 123.011, 126.141, 153.01, 153.03, 153.07, 153.08, 153.50, 153.501, 153.502, 153.51, 153.52, 153.53, 153.54, 153.55, 153.56, 153.57, 153.581, 153.65, 153.66, 153.67, 153.69, 153.692, 153.693, 153.694, 153.70, 153.71, 153.72, 153.73, 153.80, 3313.46, 3353.04, 3354.16, 3357.16, 4113.61, 5540.03, 6115.20, Section 701.10

Authorizes public authorities, other than the Ohio Turnpike Commission, to enter into public improvement contracts with construction managers at risk (CMARs) and design-build firms (D/B firms), and to enter into public improvement contracts with general contracting firms regardless of the size of the project.

Same as the Executive.

Eliminates the requirement that the multiple-prime contracting method be used for public improvements, but does not prohibit its use.

Same as the Executive.

Defines CMAR and prescribes the process that a public authority must use to select a CMAR. Requires a CMAR to provide a surety bond in an amount not less than the combined contract values of any work under contract prior to the establishment of the guaranteed maximum price or in the amount of the guaranteed maximum price. Subjects CMARs to the current drug-free workplace and prompt-pay laws.

Same as the Executive.

Defines D/B services and prescribes the process that a public authority must use to select a D/B firm. Requires a D/B firm to provide a surety bond in an amount not less

Same as the Executive.

**Executive**

**As Passed by the House**

than the combined contract values of any work under contract prior to the establishment of the guaranteed maximum price or in the amount of the guaranteed maximum price. Authorizes the public authority to require the D/B firm to carry contractor's professional liability insurance and any other insurance the public authority considers appropriate. Subjects D/B firms to the current drug-free workplace and prompt-pay laws.

Permits public authorities to utilize design-assist firms on CMAR and D/B projects

Same as the Executive.

Increases from \$50,000 to \$200,000 the minimum project cost threshold that requires the preparation of definite and complete specifications of the work to be performed prior to putting a state project out for bid; exempts contracts with CMARs and D/B firms from this requirement.

Same as the Executive.

Permits certain public entities to advertise for bids on a public improvement project by electronic means, pursuant to rules adopted by DAS, rather than by newspaper.

Same as the Executive.

Requires that capital funds released contain a contingency reserve.

Same as the Executive.

**Fiscal effect: Increased flexibility in construction delivery methods may enable state agencies and local governments to achieve savings on public improvements.**

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

DASCD35 Health Care Pooling Program/School Employees Health Care Board

R.C. 9.883, 9.90, 9.901, 305.171, 505.60, 505.601, 505.603, 1545.071, 3313.202, Section 701.20

(1) Eliminates the School Employees Health Care Board and transfers the majority of the Board's duties to DAS. Renames the School Employees Health Care Fund the Public Employees Health Care Fund.

(2) Requires DAS to design health insurance plans for political subdivisions, school districts (including educational service centers), and institutions of higher education. Permits any or all of the plans designed by DAS to be self-insured. Requires these plans to incorporate the best practices adopted by DAS. Requires DAS to set employee and employer health care premiums for these plans. Permits health benefits to be provided by those entities until DAS implements these new plans. Requires that any such interim plan for school district employees must contain those best practices established by the School Employees Health Care Board or by DAS.

(3) Requires DAS to determine geographic regions for the availability of providers, networks, costs, and other factors relating to providing health care benefits.

(4) Requires DAS to examine those plans currently offered through a consortium of public entities, including the

R.C. 9.883, 9.90, 9.901, 305.171, 505.60, 505.601, 505.603, 1545.071, 3313.202, Section 701.20

(1) Replaces the Executive provisions with provisions that (a) completely eliminate the School Employees Health Care Board and the School Employees Health Care Fund; (b) eliminate the requirement that all health care benefits provided to persons employed by public school districts be provided by health care plans that contain best practices established by the Board; and (c) eliminate the provision that allow any board of education member of a school district and his or her dependent children and spouse to be covered under any medical plan designed by the Board.

(2) No provision.

(3) No provision.

(4) No provision.

## Executive

## As Passed by the House

benefits and the strategies of these plans to manage health care costs.

(5) Permits such consortiums that are composed of at least 2,500 employees to continue offering health benefit plans to seek permission from DAS to continue offering such plans.

(5) No provision.

(6) Eliminates the Public Schools Health Care Advisory Committee.

(6) Same as the Executive.

(7) Requires DAS to contract with an independent consultant to analyze costs related to employee health care benefits provided by existing entities. Requires the consultant to submit certain written recommendations to DAS for the development of a successful program for pooling purchasing power for the acquisition of employee health care plans.

(7) No provision.

(8) Requires any health care provider that has provided coverage for these entities within the last two years to provide DAS with nonidentifiable aggregate claims data within 30 days of receiving such a request for information from DAS.

(8) No provision.

(9) Requires DAS to develop a request for proposals and to solicit bids for the provision of those plans that it develops. Requires DAS, in consultation with the Superintendent of Insurance and using competitive selection, to contract with one or more insurance companies for the issuance of these plans. Permits all health care benefits for these entities to be provided through these plans.

(9) No provision.

(10) Prohibits these entities, once the plans developed by DAS are in their final form and are fully implemented, from receiving state aid while being in violation of these provisions.

(10) No provision.

## Executive

(11) Permits these entities to offer health care benefits to their employees that the entity is currently authorized to offer and that are not covered by DAS's plan.

(12) Requires DAS, not later than 12 months after the section's effective date, to submit a report to the General Assembly on the feasibility of providing care plans that cover persons employed by these entities.

(13) No provision.

**Fiscal effect: Providing pooled health insurance to local governments, school districts, and institutions of higher education may decrease personnel costs for these agencies, if discounts can be achieved through the program. DAS could incur some costs for preparing the report required under the bill.**

DASCD8

State Public Notice Web Site

R.C. 125.182

Requires the Office of Information Technology in the Department of Administrative Services (DAS) to establish, operate, and maintain a state public notice web site.

Specifies criteria that the Office of Information Technology must satisfy in establishing, maintaining, and operating the state public notice web site. Prohibits the Office from

## As Passed by the House

(11) No provision.

(12) Same as the Executive, but requires the report to be submitted by July 1, 2012, instead of 12 month's after the provision's effective date. Specifies that the report applies to public school districts, as well as political subdivisions and institutions of higher education. Requires that (a) DAS consider voluntary and mandatory participation, and (b) the impacts of changes to the existing purchasing structure on existing health care pooling and consortiums.

(13) Specifies that no action can be taken regarding health care coverage for employees of political subdivisions, public school districts, and state institutions of higher education without the enactment of a bill by the General Assembly.

**Fiscal effect: DAS could incur some costs for preparing the report required under the bill.**

R.C. 125.182

Same as the Executive.

Same as the Executive, but specifically prohibits the Office of Information Technology from charging a state agency or political subdivision a fee for publishing a notice on the

## Executive

## As Passed by the House

charging a fee to any users of the site. Requires the Office to ensure that (1) notices conform to the statutory or rule requirements as if they were being published in a newspaper or other publication, and (2) notices be displayed on the web site for not less than the length of time required by the relevant statute or rule.

state public notice web site.

Requires the Office of Information Technology to submit a status report to the Secretary of State twice annually that demonstrates compliance with statutory requirements governing publication of notices.

Same as the Executive.

Requires the Office of Information Technology to bear the expense of maintaining the public notice web site domain name.

Same as the Executive.

**Fiscal effect: Possible savings for agencies and local governments that use the state public notice web site in lieu of local news publications. The cost to develop the site will be paid for from GRF appropriation item 100418, Web Site and Business Gateway.**

**Fiscal effect: Same as the Executive.**

## Executive

## As Passed by the House

## COMCD7 Prevailing Wage Law Modifications

R.C. 4115.03, 4115.033, 4115.034, 4115.04, 4115.10, and 4115.16. Repealed: R.C. 4115.032

(1) Increases the current statutory monetary thresholds for determining when the Prevailing Wage Law applies to public improvements other than roads, sewers, ditches, and other related projects from \$78,258 (the inflation-adjusted statutory baseline threshold of \$50,000) to \$5 million for new construction and from \$23,447 (the inflation-adjusted statutory baseline threshold of \$15,000) to \$5 million for reconstruction. Requires these amounts to be adjusted biennially by the Director of Commerce, as under current law.

(2) Retains the Prevailing Wage Law thresholds at their current, inflation-adjusted levels for roads, sewers, ditches, and other related projects.

(3) Exempts from the Prevailing Wage Law public improvements undertaken by, or under contract for, state institutions of higher education.

(4) Prohibits a public authority from applying prevailing wage requirements to a public improvement that is undertaken by, or under contract for, a state institution of higher education, a school district, or an education service center.

(5) Excludes from the definition of "public improvement" an improvement that is neither constructed by a public authority nor constructed for the benefit of a public authority, even if the improvement uses or receives financing, grants, or in-kind support from a public authority.

R.C. 4115.03, 4115.033, 4115.034, 4115.04, 4115.10, and 4115.16. Repealed: R.C. 4115.032 and 4582.37

(1) Same as the Executive, but reduces the statutory monetary threshold for determining when the Prevailing Wage Law applies to construction and reconstruction on public improvements other than roads, sewers, ditches, and other related works, from \$5 million to \$3.5 million, still to be adjusted biennially by the Director of Commerce.

(2) Same as the Executive.

(3) Same as the Executive.

(4) Same as the Executive, but removes the prohibition against a public authority applying prevailing wage requirements to a public improvement undertaken by, or under contract for, a state institution of higher education.

(5) Same as the Executive.

## Executive

## As Passed by the House

(6) Repeals a provision of the Prevailing Wage Law that deemed certain projects to be public improvements and required all contractors and subcontractors on those projects to comply with the Prevailing Wage Law.

(6) Same as the Executive.

(7) Removes the right of an interested party to sue regarding a violation of the Prevailing Wage Law when the Director of Commerce fails to rule on the merits of an administrative complaint within 60 days after the party files that complaint with the Director.

(7) Same as the Executive.

(8) No Provision.

(8) Exempts public improvements undertaken by, or under contract for, a port authority created by a municipal corporation, township, or county after 1964 under R.C. 4582.02 or 4582.22 and repeals the prevailing wage requirement that applies to the construction or repair of a port authority facility.

**Fiscal effect: Uncertain.** These provisions could lower the cost of a public improvement project falling under the proposed threshold amounts, but it could be that the savings in labor costs are put toward expanding the scope of the project. A reduction in labor costs could also result in certain tax effects that are difficult to quantify. Finally, the change in (7) above could reduce enforcement costs for the Department's Labor and Wage Section (LAWS) by preventing an interested party filing in court before LAWS has made a determination on the alleged violation.

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

PAYCD1 Retirement Systems Contribution Rates

R.C. 145.47, 145.48, 145.49, 742.31, 742.33,  
742.34, 3307.26,  
3307.28, 3309.47, 3309.49, 5505.15

Decreases employer contribution rates and increases employee contribution rates paid toward the state's five public retirement systems - the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), the School Employees Retirement System (SERS), the Ohio Police and Fire Pension Fund (OP&F), and the Highway Patrol Retirement System (HPRS), by 2% of payroll beginning with pay periods on or after July 1, 2011.

No provision.

PERS - State and local divisions (non-law enforcement and public safety): reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%); Law enforcement division: reduces employer contribution rates to 16.1% (from 18.1%) and increases employee contribution rates to 13.6% (from 11.6%); and Public safety division: reduces employer contribution rates to 16.1% (from 18.1%) and increases employee contribution rates to 13% (from 11%).

No provision.

STRS - Reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%).

No provision.

SERS - Reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%).

No provision.

## Executive

## As Passed by the House

OP&F - Police officers: reduces employer contribution rates to 17.5% (from 19.5%) and increases employee contribution rates to 12% (from 10%); and Firefighters: reduces employer contribution rates to 22% (from 24%) and increases employee contribution rates to 12% (from 10%).

No provision.

HPRS - Reduces employer contribution rates to 24.5% (from 26.5%) and increases employee contribution rates to 12% (from 10%).

No provision.

**Fiscal effect: This provision would decrease state and local public employers' total contributions toward the five retirement systems by about \$532 million per year and increase public employees' contributions by a corresponding amount. It would reduce state contributions by about \$113 million, with \$27 million of this savings being for the state GRF, \$34 million for various state non-GRF funds, and \$52 million for various other entities, such as state universities. Approximately 96% of state employees are members of PERS, 2.5% are members in HPRS, and the remaining 1.5% are in STRS. The provision would decrease local governments' total contributions by about \$419 million. The provision could increase the systems' future liabilities. Even though total contribution rates are kept the same, it would likely increase the systems' liabilities because of the shift in contributions from employers to employees. Currently, employer contributions are not refundable upon the termination of certain employees, but employee contributions are refundable.**

Executive

As Passed by the House

DOHCD11      Licensing and Inspection of Marinas

R.C.      *3733.21, 3701.83, 3709.09, 3709.092, 3733.22 - 3733.30 (All Repealed), and 3733.99; and Section 737.20*

Repeals the statutes governing the licensure and inspection of marinas, including the requirement that the Public Health Council adopt rules for such purposes.

No provision.

Requires a board of health that has a marina within its jurisdiction to adopt rules regarding the inspection and licensing of marinas within 12 months of the provision's effective date. Allows a board to charge a fee for a license.

No provision.

Establishes procedures for the transition of these operations to the boards of health.

No provision.

**Fiscal effect: Loss of \$29,200 in fee revenue each year transferred from the local boards of health and deposited into SSR Fund 4700, General Operations. Decrease of \$10,800 in supplemental GRF expended on the program. Currently, boards of health charge license and inspection fees for marinas and transfer a portion of these fees to the General Operations Fund. ODH currently acts in an advisory role for these programs and uses funds collected for the administration of the program.**

## Executive

## As Passed by the House

## DOHCD13      Licensing and Inspection of Agricultural Labor Camps

R.C.      *3733.42, 3701.83, 3733.41, 3733.43 (Repealed), 3733.431 (Repealed), 3733.44 - 3733.47 (All Repealed), 3733.471 (Repealed), 3733.48 (Repealed), 3733.49 (3733.43), 3733.99, 3733.41, 4141.031, and 5321.01; and Section 737.10*

Repeals the statutes governing the licensure and inspection of agricultural labor camps, including the requirement that the Public Health Council adopt rules for such purposes.

No provision.

Requires a board of health that has an agricultural labor camp within its jurisdiction to adopt rules regarding the inspection and licensing of these within 12 months of the provision's effective date. Allows a board to charge a fee for a license.

No provision.

Establishes procedures for the transition of these operations to the boards of health.

No provision.

**Fiscal effect: Loss of \$41,700 in fee revenue collected for licenses and inspections and deposited into SSR Fund 4700, General Operations. Decrease of \$65,468 in supplemental GRF expended on the program. ODH currently performs licensure and inspection duties relating to agricultural labor camps.**

## Executive

## As Passed by the House

## DOHCD12      Licensing and Inspections of Manufactured Home Parks

R.C.      *3733.02, 3701.83, 3709.085, 3709.09, 3709.092, 3733.01, 3733.091, 3733.101, 3733.13; 3733.021 (Repealed), 3733.022 (Repealed), 3733.024 (Repealed), 3733.025 (Repealed), 3733.03 (Repealed), 3733.031 (Repealed), 3733.04 - 3733.08 (All Repealed), 3733.41, 3733.99, 4781.04, 4781.07, and 4781.14; and Section 737.30*

Repeals the statutes governing the licensure and inspection of manufactured home parks, including the requirement that the Public Health Council adopt rules for such purposes.

No provision.

Requires a board of health that has a manufactured home park within its jurisdiction to adopt rules regarding the inspection and licensing of these within 12 months of the provision's effective date. Allows a board to charge a fee for a license.

No provision.

Establishes procedures for the transition of these operations to the boards of health.

No provision.

**Fiscal effect: Loss of \$245,800 in fee revenue transferred from the local boards of health and deposited into SSR Fund 4700, General Operations. Decrease of \$52,000 in supplemental GRF expended on the program. Currently, boards of health charge license and inspection fees for manufactured home parks and transfer a portion of these fees to the General Operations Fund. ODH currently acts in an advisory role for these programs and uses funds collected for the administration of the program.**

Executive

As Passed by the House

MHCCD1      Manufactured Homes Commission Oversight of Manufactured Homes Parks

R.C.      *1901.19, 1909.11, 1923.01, 1923.02, 1923.061, 1923.15, 2305.01, 3709.085, 3729.01, 3733.01 (Repealed), 3733.02, new and existing sections under Chapter 4781, 3733.41, 3781.06, 4503.061, 4503.062, 4517.01, 4517.04, 4517.09, 4517.10, 4517.12, 4517.13, 4517.14, 4517.23, 4517.24, 4517.44, 4905.90, 6111.46, Sections 737.30, 747.10, 747.20*

(1) No provision.

(1) Transfers authority for licensing and inspecting manufactured homes parks from the Department of Health and local boards of health to the Manufactured Homes Commission.

(2) No provision.

(2) Requires the Commission to adopt rules regarding the inspection and licensing of manufactured homes parks no later than December 1, 2011.

(3) No provision.

(3) Replaces the member of the Manufactured Homes Commission that represents the Department of Health with a member who is a registered sanitarian, has experience with the regulation of manufactured homes, and is an employee of a health district.

(4) No provision.

(4) Stipulates that the term of the member of the Manufactured Homes Commission who is a representative of the Department of Health ends on the effective date of this section, and that the initial term of the registered sanitarian shall expire when the original member's term would have expired.

(5) No provision.

(5) Specifies the following apply when a person violates Manufactured Homes Law: (a) requires the Commission to hold a hearing and to notify the alleged violator of the

## Executive

## As Passed by the House

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|-------------------|---|
| (6) No provision. | hearing; (b) authorizes the Commission to levy a fine of not more than \$1,000 per violation per day; (c) authorizes the Commission to apply to the court of common pleas to compel an alleged violator if the person does not appear for the associated hearing; and (d) authorizes the Commission to forward the name of the violator and the amount of the fine to the Attorney General for collection, if the violator does not pay the fine. |
| (7) No provision. | (6) Creates the Manufactured Homes Commission Regulatory Fund and requires licensing fees and fines related to manufactured homes parks to be deposited into the fund.  |
| (8) No provision. | (7) Allows boards of health to transfer prior manufactured home park licensing and inspection fees in the amount of \$2,000 or less to the general fund of the local board of health and requires funds in excess of \$2,000 to be transferred to the Manufactured Homes Commission Regulatory Fund.  |
| (9) No provision. | (8) Allows the Commission to enter into contracts for the inspection of manufactured home parks and gives the boards of health of city or general health districts the right of first refusal for those contracts.  |
| (9) No provision. | (9) Requires a board of health to issue to the Commission a report of an inspection of a manufactured home park that was completed in response to a flood event within ten days after the inspection is completed.  |

## Executive

## As Passed by the House

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**Fiscal effect: The provision will increase administrative duties and costs related to MHC's oversight of Ohio's roughly 1,800 manufactured homes parks. However, the bill authorizes MHC to adopt licensing fees to offset these costs. These revenues are to be deposited into the Manufactured Homes Commission Regulatory Fund created by the bill, as opposed to the Occupational Licensing and Regulatory Fund (Fund 4K90) which currently supports MHC's operations. Currently, local boards of health charge license and inspection fees for manufactured home parks and transfer a portion of these fees to the General Operations Fund (Fund 4700), used by the Department of Health. The Department currently acts in an advisory role and uses funds collected for the administration of the program. As a result of the program transfer, there will be a loss of fee revenue and a subsequent decrease in expenditures for both the Department and the local boards of health.**

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Executive

As Passed by the House

PWCCD10 Local Government Integrating and Innovation Committees

R.C. 122.085, 122.088, 122.0810, 122.0816, 122.0819, 122.65, 122.652, 122.653, 122.657, 164.02, 164.04, 164.05, 164.051, 164.06, 164.08, 164.14, 164.21, 164.30, 5751.20; Section 367.10

(1) No provision.

(1) Earmarks \$50 million of commercial activity tax revenue each year to fund grants to local governments to help cover costs of implementing or enhancing shared services.

(2) No provision.

(2) Specifies that allowable expenses of the grants include costs of making the transition to shared services, establishing shared services, and paying for the initial operations of the shared services; prohibits the costs of ongoing operations of shared services as an allowable expense.

(3) No provision.

(3) Requires grants to be awarded on the basis of projected cost efficiencies, provided that no more than \$250,000 may be awarded to each applicant for each service sharing proposal; requires at least 20% of grant money to be awarded to townships and permits up to 30% to be awarded to governments in fiscal emergency primarily because of reductions in federal, state, and local revenue since 2008.

(4) No provision.

(4) Makes the existing district public works integrating committees (renamed under the amendment as local government integrating and innovation committees) that currently allocate state bond-funded infrastructure assistance among local governments responsible for selecting grant recipients.

## Executive

## As Passed by the House

(5) No provision.

(5) Specifies that up to 3% of the money credited to the Local Government Integrating and Innovation Fund (Fund 5KJ0) may be used by the Director of PWC to defray the costs of PWC or of the local government integrating and innovation committees in administering the grant program.

(6) No provision.

(6) Requires SSR Fund 5KJ0 appropriation item 150600, Local Government Integrating and Innovation, to be used to make awards to political subdivisions that implement or enhance shared services or efficiencies pursuant to R.C. 164.30.

**Fiscal effect: Earmarks \$50 million that would otherwise go to the state GRF, the School District Tangible Property Tax Replacement Fund, or the Local Government Tangible Property Tax Replacement Fund. Under current law the GRF would receive 5.3% of revenue from the tax in FY 2012 and 10.6% in FY 2013, but these percentages are changed by the current version of the bill.**

Executive

As Passed by the House

Other Provisions

DRCCD9

Corrections Commissions and Medical Care Reimbursement Rate for Confined Persons

R.C. 307.93, 341.192

(1) Eliminates as members of a corrections commission the presiding common pleas court judge of each county, and the municipal court judge of each municipal corporation, participating in the establishment of a multicounty, municipal-county, or multicounty-municipal correctional center, and requires that a member of the board of county commissioners, rather than the president of the board, be a member of the corrections commission.

(2) Creates a judicial advisory board to make recommendations to a corrections commission about bed allocation, expansion of the correctional center the commission oversees, community corrections or diversion programs, the administration of sentences, and any other matters the commission considers appropriate.

(3) Establishes the Medicaid reimbursement rate as the amount to be paid to a medical provider who is not employed by or under contract with a municipal corporation or township for providing medical services to persons confined in multicounty, municipal-county, or multicounty-municipal correctional centers.

**Fiscal effect: Provisions (1) and (2) are organizational in nature and have no direct fiscal effect. Provision (3) could create savings for certain counties and municipalities if they obtain Medicaid reimbursement rates for medical services delivered to locally confined persons.**

R.C. 307.93, 341.192

(1) No provision.

(2) No provision.

(3) Same as the Executive.

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

Property Taxes and Transfer Fees

TAXCD16 Local Government Reimbursement for Utility Personal Property Tax Losses

R.C. 5727.84, 5727.85, 5727.86, Section 757.20

(1) Accelerates the phase-out of fixed-rate public utility property tax loss reimbursements for most non-school taxing units based on each unit's reliance on the reimbursement as measured by the unit's CY 2010 public utility tax loss reimbursement as a percentage of its total resources as defined in the bill. Specifies that reimbursements are phased out, beginning in CY 2011, so that each unit's reliance on the reimbursement falls by two percentage points per year. Beginning in FY 2012, phases out reimbursements for nonoperating fixed-rate levies by 25% per year (municipalities are the only non-school taxing unit that is eligible for this reimbursement).

(2) Changes the percentages of money credited to various funds from kilowatt-hour (KWH) tax receipts. For FY 2012 and FY 2013, requires 88% of receipts to be credited to the GRF (from 63%), 9% (from 25.4%) to the School District Property Tax Replacement Fund (Fund 7053), and 3% (from 11.6%) to the Local Government Property Tax Replacement Fund (Fund 7054). Distributions to the GRF increase in subsequent fiscal years, to 100% in FY 2031, and eliminates distributions to the other two funds in that same year.

(3) Changes the distribution of receipts from the excise tax on natural gas distribution companies. Beginning FY 2012, requires 100% of receipts to the GRF instead of 68.7% to the School District Property Tax Replacement Fund (Fund 7053) and 31.3% to the Local Government Property Tax

R.C. 5727.84, 5727.85, 5727.86, Section 757.20

(1) Same as the Executive, except holds reimbursements at CY 2013 levels in subsequent years for units of local government other than school districts.

(2) Same as the Executive, except holds percentages of KWH tax receipts at FY 2012 levels in subsequent years.

(3) Same as the Executive.

## Executive

## As Passed by the House

Replacement Fund (Fund 7054) as under current law.

(4) Changes the default method for apportioning reimbursement payments among local governments other than school districts for mergers or annexations from a property value basis to a square mileage basis.

(4) Same as the Executive.

(5) Allows a local government to appeal to the Tax Commissioner a levy classification or amount used in calculation of total resources. Specifies that decisions of the Tax Commissioner regarding appeals are final and not subject to appeal and that no changes in classifications or calculations will be made after June 30, 2013.

(5) Same as the Executive.

(6) States that, with respect to unvoted debt levies within the ten-mill limit or pursuant to a municipal charter, if the levy was no longer levied for debt purposes for tax year 2010 or for any tax year thereafter before 2016, payments for that levy are to be made under the new reimbursement mechanism for fixed-rate levy losses beginning the first year after the year for which it is no longer levied for debt purposes (and is levied for other purposes). (Taxes levied pursuant to a municipal charter refer to taxes levied pursuant to a provision of a municipal charter that permits the tax to be levied without prior voter approval.)

(6) Same as the Executive.

(7) Requires reimbursement payments to be made on or before August 31 and February 28 instead of in late August and February as under current law.

(7) Same as the Executive.

(8) Repeals the law creating, as of January 1, 2011, the Public Utility Tax Study Committee, which was to study the extent to which school districts had been compensated by the tax loss reimbursements

(8) Same as the Executive.

## Executive

**Fiscal effect:** See LSC's Bill Analysis for H.B. 153 for a more extensive discussion of these proposed statutory changes. The appropriation for these payments from the Local Government Property Tax Replacement Fund (Fund 7054) is \$16 million for FY 2012 and \$11 million for FY 2013, down from an estimated \$90 million in FY 2011. The reallocation of KWH tax receipts would increase revenue to the GRF by about \$139 million in FY 2012 and \$141 million in FY 2013. The reduction in receipts to Fund 7054 under the proposed formula would be about \$48 million in FY 2012 and FY 2013. The remainder of the increase in GRF revenue would come from the reduction in share to Fund 7053. Also, the bill directs the natural gas distribution tax to the GRF beginning in FY 2012. All revenues prior to FY 2012 have been distributed to Fund 7053 and Fund 7054. Amounts raised by this tax in recent years have ranged from about \$66 million to \$71 million.

## As Passed by the House

**Fiscal effect:** Same as the Executive except increases tax-loss reimbursements in FY 2014 and thereafter. Revenues to Fund 7054 appear likely to be adequate to cover the required payments.

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**TAXCD17                      Local Government Reimbursement for Tax Losses on Tangible Personal Property (TPP) of General Business**

**R.C.            5751.20, 5751.21, 5751.22, 5751.23, Section 757.20**

(1) Accelerates the phase-out of fixed-rate TPP tax loss reimbursements for most non-school taxing units, based on each unit's reliance on the reimbursements as measured by each unit's calendar year (CY) 2010 TPP reimbursement as a percentage of the unit's total resources as defined in the bill. Specifies that beginning in CY 2011, reimbursements for operating fixed rate levies are phased out so that each unit's reliance on the reimbursements falls by two percentage points per year.

(2) Phases out nonoperating fixed-rate levy reimbursement by 25% per year beginning in CY 2011. (Municipalities are

**R.C.            5751.20, 5751.21, 5751.22, 5751.23, Section 757.20**

(1) Same as the Executive, except holds reimbursements at CY 2013 levels in subsequent years for units of local government other than school districts.

(2) Same as the Executive, except holds nonoperating fixed-rate levy reimbursement at 25% in CY 2013 and

## Executive

## As Passed by the House

the only non-school taxing unit that is eligible for these reimbursements.)

thereafter.

(3) Changes the percentages of money credited to various funds from commercial activity tax (CAT) receipts. For FY 2012, requires 25% (from 5.3%) of receipts to be credited to the GRF, 52.5% (from 70%) to the School District Tangible Property Tax Replacement Fund (Fund 7047), and 22.5% (from 24.7%) to the Local Government Tangible Property Tax Replacement Fund (Fund 7081). Specifies that the corresponding percentages for FY 2013 are 50% (from 10.6%), 35% (from 70%), and 15% (from 19.4%), respectively. Increases distributions to the GRF in subsequent fiscal years, to 100% in FY 2021, and phases out distributions to the other two funds. Eliminates distributions to Fund 7047 beginning in FY 2021. Eliminates distributions to Fund 7081 beginning in FY 2019.

(3) Same as the Executive, except holds percentages of CAT receipts at FY 2013 levels in subsequent years.

(4) Changes the default method for apportioning reimbursement payments among local governments other than schools for mergers or annexations from a property value basis to a square mileage basis.

(4) Same as the Executive.

(5) Phases out from 2012 to 2016 the county administrative fee losses caused by the tangible personal property tax losses.

(5) Same as the Executive.

(6) Allows a local government to appeal to the Tax Commissioner a levy classification or amount used in calculation of total resources. Specifies that decisions of the Tax Commissioner regarding appeals are final and not subject to appeal and that no changes in classifications or calculations will be made after June 30, 2013.

(6) Same as the Executive.

(7) Specifies that annual reimbursement payments for non-school taxing units be made twice per year, in May and on

(7) Same as the Executive.

**Executive****As Passed by the House**

or before November 20, beginning in TY 2011. (Current law requires three payments per year, in May, August, and October.)

(8) Specifies that debt levies that have been imposed pursuant to a municipal charter, and that do not have to be approved by voters will, like other unvoted debt levies, continue to be reimbursed at 100% as long as the levy was still being used to pay debt in 2010 and as long as it continues to be levied to pay debt.

(8) Same as the Executive.

## Executive

**Fiscal effect: See LSC's Bill Analysis for H.B. 153 for a more extensive discussion of these proposed statutory changes. The appropriation for these payments from the Local Government Tangible Property Tax Replacement Fund (Fund 7081) is \$291 million for FY 2012 and \$181 million for FY 2013, down from an estimated \$414 million in FY 2011. The reallocation of CAT receipts would increase revenue to the GRF by about \$289 million in FY 2012 and \$594 million in FY 2013. The reduction in receipts to Fund 7081 under the proposed formula would be about \$32 million in FY 2012 and \$66 million in FY 2013. The remainder of the increase in GRF revenue would come from the reduction in share to Fund 7047. The bill retains the current law provision that the GRF would make up any shortfall in amounts needed to provide school districts and local governments their required reimbursements, though the required reimbursements are phased out more quickly under the proposed changes. The provision that limits the speed with which TPP reimbursements are phased out for any individual jurisdiction to no more than 2% of its total resources in calendar year 2011 and 4% in 2012 makes a statewide calculation of the change in required reimbursement very data intensive. LSC has not yet determined whether GRF transfers will be needed in addition to the amounts appropriated in the bill.**

## As Passed by the House

**Fiscal effect: Same as the Executive except increases tax-loss reimbursements in FY 2014 and thereafter. Revenues to Fund 7081 appear likely to be adequate to cover the required payments.**

## Executive

## As Passed by the House

Other Taxation Provisions

## TAXCD3                      Adjustments to Local Government Distributions

R.C.            *131.44, 131.51, 5705.031, 5705.32, 5705.321, 5707.03, 5725.01, 5725.151, 5725.18, 5725.24, 5747.46, 5747.47, 5747.48, 5747.50, 5747.51, 5751.011, and Sections 379.10 and 757.10*

(1) Reduces Local Government Fund (LGF or Fund 7069) distributions to 75% of FY 2011 levels for the period between August 2011 and June 2012, and reduces distributions to 50% of FY 2011 levels for all months in FY 2013. Provides that distributions after FY 2013 will depend on the total amount allocated to the fund as a percentage of total state tax revenue credited to the General Revenue Fund in FY 2013, instead of the current 3.68% of GRF tax revenue. Provides that allocations among county undivided LGFs and direct municipal payments from August 2011 through June 2013 will be on a pro rata basis based on their respective FY 2011 shares.

(2) Reduces distributions from the Public Library Fund (PLF or Fund 7065) for all months between August 2011 and June 2013 to 95% of FY 2011 levels. Provides that allocations among county undivided PLFs from July 2011 through December 2011 are on a pro rata basis based on their respective CY 2010 shares, and from January 2012 through June 2013, based on their respective CY 2011 shares. Provides that distributions after FY 2013 will depend on the total amount allocated to the fund as a percentage of total state tax revenue credited to the General Revenue Fund in FY 2013, instead of the current 2.22% of GRF tax revenue.

R.C.            *131.44, 131.51, 5705.031, 5705.32, 5705.321, 5707.03, 5725.01, 5725.151, 5725.18, 5725.24, 5747.46, 5747.47, 5747.48, 5747.50, 5747.51, 5751.011, and Sections 379.10 and 757.10*

(1) Same as the Executive, except guarantees that any county undivided LGF that received less than \$500,000 in FY 2011 will have no reduction in monthly distribution amounts in FY 2012 and FY 2013, and that any county undivided LGF that received over \$500,000 in FY 2011 will receive at least \$500,000 in FY 2012 and FY 2013.

(2) Same as the Executive.

## Executive

## As Passed by the House

(3) Provides that, after December 31, 2011, counties would no longer receive 5/8ths of the revenue from the dealers in intangibles tax on unaffiliated dealers, and instead allocates all revenue from that tax to the General Revenue Fund.

(3) Same as the Executive.

(4) Excuses the Tax Commissioner from compliance with existing certification requirements (regarding estimates of revenue to each county undivided LGF and PLF) for the 2012 and 2013 distribution years. Requires instead that the Commissioner send to each county one estimate of the total amount to be received from the Local Government Fund and the Public Library Fund by July 20 of the preceding year.

(4) Same as the Executive.

**Fiscal effect: Reduces transfers from the GRF to Fund 7069 in FY 2012 by about \$172 million compared to current law, to \$526 million. Reduces these transfers in FY 2013 by about \$398 million compared to current law, to \$339 million. Reduces transfers from the GRF to Fund 7065 by about \$75 million in FY 2012 compared to current law, to \$354 million. Reduces these transfers in FY 2013 by about \$102 million compared to current law, to \$345 million. Reduces transfers from the dealers in intangibles tax to counties, allocating these amounts instead to the GRF starting in CY 2012, that totaled about \$13 million in CY 2009. Total gain to the GRF would be about \$254 million in FY 2012 and \$513 million in FY 2013.**

**Fiscal effect: Same as the Executive, except increases appropriation item 110969, Local Government Fund, by \$1 million in FY 2012 and \$2 million in FY 2013. Total gains to the GRF would be reduced by these amounts.**