

Executive

As Passed by the House

PUCCD2

Electric Utility Cost Recovery

R.C. 4905.31

(1) Permits a public utility electric light company through a schedule or reasonable arrangement to recover costs of an economic development and job retention program from Ohio retail electric service customers in addition to customers from within its certified territory.

(1) No provision.

(2) Permits the PUCO to approve any application for, or modification or extension of, such a schedule or arrangement until January 1, 2018, but allows the schedule or arrangement to continue in effect after that date for any period approved by the PUCO.

(2) No provision.

**Fiscal effect: Potential to increase costs for retail electric service customers outside of the certified territory of the public utility electric light company, and potential for customers within the certified territory to realize commensurate savings based upon the expanded pool of customers from which the public utility electric light company may recover costs.**

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PUCCD3

Wind Turbine Minimum Setback

No provision.

R.C. 4906.20

Changes, from 750 feet to 1,250 feet, the minimum setback distance (the horizontal distance measurement from the tip of the turbine's nearest blade at 90 degrees to the exterior of the nearest, habitable, residential structure, if any, located on adjacent property) for wind turbines of an economically significant wind farm that has applied for Power Siting Board (PSB) certification on or after the effective date of this section of the bill.

No provision.

Maintains the existing setback distance requirement of 750 feet for PSB certification applications made prior to the effective date of this section of the bill, even if an amendment to the application is filed on or after that effective date.

**Fiscal effect: None.**

## Executive

## As Passed by the House

PUCCD1

Utility Radiological Safety Board Assessments

## Section: 506.10

Specifies, absent contractual agreement, the maximum amounts that may be assessed against each nuclear electric utility under R.C. 4937.05 on behalf of four state agencies and deposited into the specified funds as follows:

- (1) \$130,000 in each fiscal year to the Utility Radiological Safety Fund (Fund 4E40) used by the Department of Agriculture;
- (2) \$1,049,954 in FY 2014 and \$1,086,098 in FY 2015 to the Radiation Emergency Response Fund (Fund 6100) used by the Department of Health;
- (3) \$284,266 in FY 2014 and \$290,674 in FY 2015 to the ER Radiological Safety Fund (Fund 6440) used by the Environmental Protection Agency; and
- (4) \$1,415,945 in each fiscal year to the Emergency Response Plan Fund (Fund 6570) used by the Department of Public Safety.

**Fiscal effect: Less than \$2.9 million in FY 2014 and less than \$3.0 million in FY 2015 will be assessed against nuclear electric utilities and made available to the four state agencies for their statutory purposes**

## Section: 506.10

Same as the Executive.

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

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## As Passed by the House

## OBMCD2 Office of Internal Auditing Changes

R.C. 124.341, 126.45 - 126.48, 3770.06, 5703.21

- (1) Changes the name of the Office of Internal Auditing (OIA) to the Office of Internal Audit.
- (2) Adds the Rehabilitation Services Commission (renamed in the bill to the Opportunities for Ohioans with Disabilities Agency), the Public Utilities Commission of Ohio, the Adjutant General, and the State Lottery Commission to the list of state agencies OIA is required to audit annually.
- (3) Permits OIA, on request, to conduct an internal audit of other bodies, offices, or agencies of state government and requires that any body, office, or agency requesting an internal audit be charged an amount sufficient to cover the costs of the audit.
- (4) Requires OIA to periodically audit systems and controls of state agencies pertaining to information technology rather than electronic data processing.
- (5) Provides that state agency audits are to be directed, rather than conducted, by staff of OIA.
- (6) States that (a) an internal audit report that meets the definition of a security record under the Public Records Law and (b) any information derived from state tax returns or return information are not public records.
- (7) Requires at least one member of the State Audit Committee to be familiar with information technology systems and services.

R.C. 124.341, 126.45 - 126.48, 3770.06, 5703.21

- (1) Same as the Executive.
- (2) Same as the Executive, but retains the Rehabilitation Services Commission as the name of the agency.
- (3) Same as the Executive.
- (4) Same as the Executive.
- (5) Same as the Executive.
- (6) Same as the Executive.
- (7) Same as the Executive.

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(8) Clarifies that for existing requirements related to subject matter expertise for Committee members, at least one member, rather than one member only, must possess expertise in the relevant subject matter areas.

(8) Same as the Executive.

(9) Requires the Committee to evaluate whether internal audits directed by OIA conform to the Institute of Internal Auditors' International Professional Practices Framework for Internal Auditing, rather than ensure that the audits conform to the Institute's Standards for the Professional Practice of Internal Auditing.

(9) Same as the Executive.

(10) Requires the State Lottery Commission to establish an annual internal audit plan, instead of an internal audit program, and submit the plan to OIA rather than the Auditor of State.

(10) Same as the Executive.

(11) Requires the State Lottery Commission to submit the annual report at the end of each fiscal year to OIA, instead of the Auditor, specifying the audit work completed for that fiscal year and compliance with the internal audit plan.

(11) Same as the Executive.

**Fiscal effect: The budget allocates \$3.6 million in FY 2014 and \$3.7 million in FY 2015 for OIA operations from the Accounting and Budgeting Fund (Fund 1050), a slight increase from the \$3.5 million estimated for FY 2013. These amounts permit OIA to hire an additional staff auditor via the elimination of a vacant administrative assistant position. Funding for OIA activities is supported through direct charges for staff time to the agencies involved in OIA audits and a portion of the accounting and budgeting payroll check-off charged to the agencies under OIA jurisdiction.**

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

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Property Taxes and Transfer Fees

TAXCD59      Qualified Energy Project Tax Exemption

No provision.

R.C.      *5727.75*

Extends by five years the deadlines by which the owner or lessee of a qualified energy project must submit a property tax exemption application, submit a construction commencement application, begin construction, and place into service an energy facility using renewable energy resources (wind, solar, biomass, etc.) or advanced energy technology (clean coal, advanced nuclear, or cogeneration) to qualify for an ongoing real and tangible personal property tax exemption.

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**Fiscal effect: Local taxing jurisdictions would receive less revenue from a given project, but in some cases, the revenue loss would be permissive. Qualified energy projects qualify for real and tangible personal property tax exemptions, but the qualified energy project is also required to pay annual service payments in lieu of taxes to the treasurer of the county where the facility is located in an amount equal to \$6,000 to \$8,000 per megawatt (MW) of name plate capacity. This service payment is shared by all taxing jurisdictions within the project area in the same manner that property tax collections would otherwise be allocated to counties, school districts, and local governments. The local county board of commissioners may require an additional \$1,000 to \$3,000 per megawatt payment beyond those required by the Revised Code, but the cumulative total of both service payments cannot exceed \$9,000 per megawatt. County governments will retain the ability to approve or deny the tax exemptions to these facilities as well as the option of negotiating an additional \$1,000 to \$3,000 payment made solely to their general fund, but school districts and other taxing jurisdictions within the county may lose local property tax revenues without their consent.**

Other Taxation Provisions

TAXCD4            Revisions to Assessments (beginning in 2014) for Wireless 9-1-1 Charges

R.C.            5507.46

(1) Applies the interest charged for unpaid assessments (60 days past due) for wireless 9-1-1 charges to only the portion that consists of wireless 9-1-1 charges due.

R.C.            5507.46

(1) Same as the Executive.

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(2) Removes provisions specifying how the interest and assessments are to be remitted, and removes redundant language regarding the issuance of assessments for collecting interest, the rate and remittance of interest, and the day on which the interest begins to accrue.

**Fiscal effect: None.**

**As Passed by the House**

(2) Same as the Executive.

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