

# LOCAL IMPACT STATEMENT REPORT FOR BILLS ENACTED IN 2018

OHIO LEGISLATIVE SERVICE COMMISSION



SEPTEMBER 2019

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## Introduction

R.C. 103.143 requires the Legislative Service Commission (LSC) to determine whether a local impact statement (LIS) is required for each bill that is introduced and referred to committee. An LIS may be required when a bill could result in net additional costs beyond a minimal amount to school districts, counties, municipalities, or townships. An LIS is not required for budget bills or joint resolutions. It is also not required when the bill is permissive or when the bill's potential local costs are offset by additional revenues, offset by additional savings, or caused by a federal mandate. The LIS determination is based solely on the "As Introduced" version of the bill.

R.C. 103.143 also requires LSC to annually compile the final local impact statements completed for laws enacted in the preceding calendar year. The Report is to be completed by September 30 each year. This 2019 Report covers the 132 bills enacted in calendar year 2018, 14 of which required an LIS. The LIS requirement is met through the detailed analysis of local fiscal effects included in LSC's fiscal notes.

Regardless of whether a bill requires an LIS, the fiscal note analyzes the bill's fiscal effects on both the state and local government. However, under R.C. 103.143, when a bill requiring an LIS is amended in a committee, the bill may be voted out of the committee by a simple majority vote with a revised LIS (a requirement fulfilled by preparing an updated fiscal note) or by a two-thirds vote without a revised LIS. Because various bills are exempted from the LIS requirement, this Report does not include every bill enacted in 2018 that may have fiscal effects on local government. It should also be noted that fiscal notes in this Report were prepared for the General Assembly's deliberations on pending legislation. This means that cost estimates included in fiscal notes may differ from the actual costs of implementing these laws, as the estimates were made before the enacted legislation was implemented. For those who are interested in the local fiscal effects of all legislation enacted in 2018, please see the LSC fiscal notes for those laws, which are available on the General Assembly's website ([www.legislature.ohio.gov](http://www.legislature.ohio.gov)) by clicking on *Legislation/Search Legislation*.

In addition to this introduction, the Report contains comments from the County Commissioners Association of Ohio, the Ohio Municipal League, the Ohio Township Association, and the Ohio School Boards Association. LSC is required to circulate the draft Report to these associations for comment and to include their responses in the final Report. The main section of the Report includes the final versions of the fiscal notes for the 14 bills enacted in 2018 that required an LIS and became law. All 95 House bills and 37 Senate bills enacted in 2018 are listed in the **Appendix**.

This Report may be viewed online at [www.lsc.ohio.gov](http://www.lsc.ohio.gov) by clicking on *General Reference*, and then *Local Impact Statement Report* under the *Publications by Title* heading.

**LOCAL GOVERNMENT ASSOCIATION  
COMMENTS**



**County  
Commissioners  
Association of Ohio**

*Serving Ohio Counties Since 1880*

Suzanne K. Dulaney, Esq., Executive Director

209 East State Street • Columbus, Ohio 43215-4309

Phone: 614-221-5627 • Fax: 614-221-6986

Toll Free: 888-757-1904 • [www.ccao.org](http://www.ccao.org)

On behalf of the County Commissioners Association of Ohio, thank you for this opportunity to provide comments regarding the 2019 Local Impact Statement Report. As noted in this report, various bills are exempted from the LIS requirement. Consequently, the Local Impact Statement Report does not accurately capture the impact of state policy decisions on local governments.

Counties are uniquely tied to the state as the provider of state services at the local level on the state's behalf. Counties operate as local branches of state government, with most state programs and services being delegated to county government for implementation.

Critical to the success of this partnership and the counties ability to implement state programs is the fiscal health of the counties. The county general fund is the chief operating fund of the county, and its revenue stability is a key indicator of the financial health of the county. The county general fund supports the operation of the nine county elected officials; the county and common pleas courts; and major program areas including the administration of justice, economic and workforce development, child support and adult protective services, elections and other vital county services. Counties rely upon a combination of permissive sales taxes, property taxes, charges for fees and services, intergovernmental revenue (including the Local Government Fund) and investment income to pay for these services. Because all of these revenue sources are governed by statutory provisions, decisions of the General Assembly can greatly impact the counties' receipt of funds from these resources.

The vitality and viability of this state/county partnership is directly impacted through all actions of the General Assembly. Therefore, CCAO urges the General Assembly to review all legislation enacted for its impact upon Ohio's local governments through the LIS process. Only then will the General Assembly and the public receive the true picture of the impacts that unfunded mandates and policy decisions have upon the counties and other local governments.

CCAO thanks the Legislative Service Commission for the opportunity to comment on this report and wishes to acknowledge the long standing professionalism and expertise of the LSC staff.



County Risk  
Sharing Authority

Fax: 614-220-0209  
[www.corsa.org](http://www.corsa.org)



Fax: 614-229-4588  
[www.cebco.org](http://www.cebco.org)



Fax: 614-221-6986  
[www.ccao.org](http://www.ccao.org)



Ohio Municipal League  
175 S Third St., Ste. 510  
Columbus, OH 43215

September 3, 2019

To Whom It May Concern;

The Ohio Municipal League has reviewed the draft of the Local Impact Statement Report for Bills Enacted in 2018 and would like to make the following comments:

The report provides helpful information to organizations representing local governments, their respective members and the public. This information would have otherwise been difficult to access or compile.

It is our hope that this document will give both lawmakers and the DeWine Administration insight into how best to invest in our state's cities and villages. As the report demonstrates, Ohio's municipalities need to be invested in as the economic engines of our state. We look forward to continue strengthen the partnership between Ohio's municipalities and the state in order to ensure a safe and prosperous future for our state and our citizens.

The Ohio Municipal League commends the staff of the Legislative Service Commission for the time and effort they put into this report.

Respectfully,

Kent Scarrett  
Executive Director  
Ohio Municipal League





## OHIO TOWNSHIP ASSOCIATION

The Ohio Township Association (OTA) would like to thank the Ohio Legislative Service Commission (LSC) for the opportunity to comment on the *2019 Local Impact Statement (LIS) Report*. The LIS Report is an important educational resource for our members and the members of the General Assembly, as it highlights the effect certain legislation passed the previous year may have on townships' budgets. It also keeps legislators and local officials aware of any unfunded mandates created in legislation.

While its often difficult to estimate the exact fiscal impact that legislation will have on townships, LSC does a wonderful job of recognizing the impacts. A total of fourteen bills enacted in 2018 have a fiscal impact on local governments, according to the LIS Report. Of those fourteen bills, five have a direct impact to townships: HB 133, HB 425, HB 430, HB 454, and SB 226.

House Bill 133 authorizes certain tax and licensing exemptions for out-of-state businesses and employees that perform disaster relief work on certain infrastructure items. Two of these exemptions include state income tax and commercial activity tax (CAT). Reductions in state income tax revenue will affect the General Revenue Fund (GRF) and, therefore, the Local Government Fund (LGF), while CAT revenue reductions affect the GRF and the Local Government Tangible Property Tax Replacement Fund. As the LIS notes, it's impossible to know Ohio's future experience of disasters or how much work will be performed by out-of-state companies and employees. Therefore, it's also unknown how much these exemptions will ultimately cost Ohio townships.

House Bill 425 exempts certain restricted portions of a body-worn camera or dashboard camera from Public Records Law. LSC notes that local law enforcement agencies may have increased costs relating to staff training on the new policy and ensuring necessary information is redacted in compliance with the bill, but those costs are likely minimal. For townships, any unfunded mandate may be a burden on certain departments.

House Bill 430 exempts certain aspects of oil and gas production from sales tax and Senate Bill 226 makes permanent a three-day sales tax holiday in August each year. For HB 430, LSC estimates that the LGF will lose up to \$0.1 million in 2019, with minimal yearly losses thereafter. For SB 226, LSC projects that the LGF will lose \$0.6 million in 2020, with losses likely growing each year. For most townships, the LGF is the second highest source of revenue behind property tax collection. Any decrease in LGF support increases the strain on township revenues as levies are increasingly difficult to pass.

House Bill 454 requires a township to compensate the owner of an unused cemetery lot or right who comes forward after the township reclaims its interest in the lot or right. The bill applies to lots or rights purchased before July 24, 1986 and entombment rights purchased before September 29, 2015. Townships in Ohio operate approximately 2,400 cemeteries. The fiscal impact of this bill depends on the number of applicable lots or rights.

While the LIS Report is a helpful review of legislation passed in the previous year and its impact to local governments, it does not give the full picture, as budget bills are not required to have a LIS and are not included in the report. The OTA encourages the General Assembly to consider including budget bills in these processes to give a more comprehensive look at local impact.

Although the true impact of these new laws will not be known until they are implemented, the fiscal analyses provide a base for which townships can determine how a new law may affect their budgets. The OTA appreciates the opportunity to comment and thanks LSC for all their hard work in compiling this data, as it is truly beneficial to legislators and local government groups.



Ohio School Boards  
Association

TO: Terry Steele, Senior Budget Analyst

FROM: Richard Lewis, Chief Executive Officer  
Jennifer Hogue, Director of Legislative Services

DATE: September 5, 2019

RE: **2019 LOCAL IMPACT STATEMENT REPORT**

The Ohio School Boards Association (OSBA) is pleased to take advantage of the opportunity to review the 2019 Local Impact Statement Report on bills enacted in 2018. The Legislative Services Commission (LSC) report to the Ohio General Assembly and to the general public on the fiscal impact of certain specific bills is a valuable service.

The 2019 Local Impact Statement Report highlights 14 bills enacted during 2018 that require local impact statements. Four of the 14 bills have potentially negative fiscal impact on the level of revenues available to support public school districts. These three bills are House Bill (HB) 133, HB 158, HB 430 and Senate Bill (SB) 226.

OSBA strongly believes and reiterates its longstanding desire to see even more bills subject to having fiscal impact statements prepared. This is particularly true for omnibus bills, such as the biennial budget bill and mid-year budget bills. We do, however, appreciate the opportunity to review and comment on these specific bills.

HB 133 exempts certain out-of-state disaster businesses and out-of-state employees from various state and local taxes that result from work done on the property and equipment of a public utility, commercial mobile radio service provider, cable service provider or a video service provider during a declared disaster. This change will result in a decrease in state personal income tax revenue. While funding for school districts is not directly impacted, any reduction in the general revenue fund (GRF) will have real implications for the total dollars available for state support of public education.

HB 158 extends unemployment compensation benefits to spouses of members of the U.S. Armed Forces on active duty, a member of the Commissioned Corps of the National Oceanic and Atmospheric Association or the Public Health Services who quit work due to the transfer of their spouse. School districts are reimbursing employers for unemployment compensation. This means that districts are billed each month for the amount of benefits paid to their former employees. Benefits issued to military spouses under the bill would result in increased costs for a district that saw an employee leave due to a spouse's transfer.

HB 430 modifies the sales and use tax exemption for property used directly in producing oil and natural gas by exempting sales where the purpose is "to use

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8050 North High Street  
Suite 100  
Columbus, Ohio 43235-6481

(614) 540-4000  
(800) 589-OSBA  
(614) 540-4100 [fax]

[www.ohioschoolboards.org](http://www.ohioschoolboards.org)



or consume the thing transferred directly in production of crude oil and natural gas for sales. Persons engaged in rendering production services for others are deemed engaged in production.” The bill also expands “production” to mean “operations and tangible personal property directly used to expose and evaluate an underground reservoir that may contain hydrocarbon resources, prepare the wellbore for production and lift and control all substances yielded by the reservoir to the surface of the earth.” The Department of Taxation estimates that GRF revenues will be reduced up to \$2.7 million in FY 19 and by minimal amounts in proceeding years. While funding for school districts is not directly impacted, any reduction in the GRF will have real implications for the total dollars available for state support of public education.

SB 226 creates a three-day sales tax holiday, beginning the first Friday in August each year. The sales tax holiday will exempt clothing sales up to \$75, and school supplies and school instructional materials up to \$20. This change is estimated to reduce state sales tax revenue to the GRF by up to \$16.3 million in FY 20. It is estimated that losses will likely grow each fiscal year. While funding for school districts is not directly impacted, any reduction in the GRF will have real implications for the total dollars available for state support of public education.

Taken together, the tax exemptions and credits made available through individual bills continue the trend of lower and lower state revenues available to support common and public purposes, including the education of Ohio’s children. Appropriate funding for the education of Ohio’s children is an ongoing concern for boards of education and should be shared by all of Ohio’s citizens.

Once again, OSBA wishes to express appreciation to the Legislative Service Commission for its hard work and diligence on this important task. We look forward to working with you now and in the future.

**FISCAL NOTES FOR BILLS ENACTED  
IN 2018 REQUIRING  
LOCAL IMPACT STATEMENTS**



# OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 92 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Rep. Schaffer

**Local Impact Statement Procedure Required:** Yes

**Subject:** Offense of public indecency

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### State Fiscal Highlights

- There may be a minimal at most annual increase in the Sex Offender Registration and Notification (SORN) Law registration fees credited to the state's existing Rape Crisis Program Trust Fund (Fund 5VN0), used by the Attorney General to distribute grants to eligible rape crisis programs.

### Local Fiscal Highlights

- The bill's Tier 1 registration requirement may extend the amount of time and effort needed to resolve certain sex offense cases, with any resulting annual increase in county and municipal criminal justice system operating expenses being uncertain.
- The number of additional offenders that any given county sheriff will register under the SORN Law each year is likely to be relatively small and the corresponding increase in any given county sheriff's annual registration, notification, and enforcement costs generally will be minimal. Any such costs may be offset to some degree by the collection of permissive sex offender registration fees that are retained by the county.

### Detailed Fiscal Analysis

The bill amends the offense of public indecency to require an offender who knowingly commits this offense under certain circumstances involving exposure of private parts for the purpose of sexual arousal or gratification to register under the Sex Offender Registration and Notification (SORN) Law as a Tier 1 offender.

### Charges

Data reported by the Franklin County Municipal Court indicates that, between 2011 and 2017, the number of public indecency charges filed annually ranged from 123 (2017) to 215 (2012). Extrapolating this data to the entire state based on the population of Franklin County, and assuming all other factors remain the same, one can estimate

that the number of public indecency charges filed statewide in those same years ranged roughly between 1,000 and 2,400.

The bill appears unlikely to create any new arrests and prosecutions as the conduct is already prohibited under current law. It is unclear how many instances of public indecency, for which there is an arrest under current law, would include the fact pattern and circumstances, specified in the bill, in which the Tier I registration requirement would apply.

## **Trials**

Currently, a Tier 1 offender is subject to registration and verification requirements every year for a period of 15 years following their initial registration. The current public indecency prohibitions do not require SORN Law registration upon conviction. If a person is charged with the applicable public indecency provision in the bill, that person may be far less likely to bargain in order to avoid the SORN Law registration requirement. If the prosecutor wants the SORN Law registration as part of the sanction, these cases are more likely to go to trial which involve costs for juries, prosecution, and indigent defense, and possibly extended jail stays. Any resulting annual cost increase in the operating expenses of county and municipal criminal justice systems is uncertain.

## **County sheriff**

The number of additional offenders that any given county sheriff will register under the SORN Law each year is uncertain. That being said, it is likely that the number will be relatively small and that the corresponding increases in any given county sheriff's annual registration, notification, and enforcement costs generally will be minimal.

Current law permits a sheriff to charge a Tier 1 SORN Law registrant fee not exceeding a total of \$25 for certain actions in each registration year. All such fees are paid into the county general fund and then allocated to the sheriff to be used to defray SORN Law administration costs. The amount of additional fee revenue that the bill's SORN Law registration requirement may generate annually for any given county general fund will be minimal at most.

## **Rape Crisis Program Trust Fund**

Current law requires a county sheriff to charge a fee of \$100 when a person first registers as a sex offender. That fee is credited to the Rape Crisis Program Trust Fund (Fund 5NV0), which the Attorney General uses to distribute grants to rape crisis centers around the state. The amount of additional fee revenue that the bill's SORN Law registration requirement may generate annually for Fund 5NV0 is likely to be minimal at most.



# OHIO LEGISLATIVE SERVICE COMMISSION

Nicholas J. Blaine

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 119 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Reps. Henne and McColley

**Local Impact Statement Procedure Required:** Yes

**Subject:** Eligibility and benefits for the Supplemental Nutrition Assistance Program and Medicaid

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### State & Local Fiscal Highlights

- The Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM) could experience an increase in administrative costs to promulgate rules.
- County departments of job and family services could experience a minimal increase in administrative costs to train employees on any changes made to the determination process for the Supplemental Nutrition Assistance Program (SNAP) and medical assistance programs.

### Detailed Fiscal Analysis

The bill requires the Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM) to verify several pieces of household information before certifying benefits for the Supplemental Nutrition Assistance Program (SNAP) and an individual's eligibility for medical assistance programs, respectively. The bill specifies that this applies to all medical assistance programs including the Medicaid Program, the Children's Health Insurance Program, the Refugee Medical Assistance Program, and other medical assistance programs administered by ODM. The verifications include household composition, identity, citizenship and alien eligibility status, Social Security numbers, state residency status, disability status, gross nonexempt income, utility expenses, and medical expenses; most of this information is currently collected as part of the determination process. However, the bill permits a household's eligibility for SNAP to be certified before all of the information is verified if the certification is being expedited pursuant to existing law.

The bill also modifies the Board of Nursing's substance use disorder monitoring program by changing language referring to "chemical dependence" to "substance use disorder," posing no additional cost to the Board.



## **Additional verifications**

Under the bill, at least the following information will be verified for households applying for SNAP and individuals applying for medical assistance:

- Household composition;
- Identity;
- Citizenship and alien eligibility status;
- Social Security numbers;
- State residency status;
- Disability status;
- Gross nonexempt income;
- Utility expenses;
- Medical expenses;
- Enrollment status in other state-administered public assistance programs within and outside this state; and
- Any available information related to potential identity fraud or identity theft.

ODJFS is required to adopt rules to implement the bill's provisions. As a result, ODJFS will experience a minimal increase in administrative costs to promulgate rules. It is possible that ODM may also need to adjust rules. The bill specifies that ODJFS may assign its authority to determine SNAP and Medicaid eligibility to a county department of job and family services (CDJFS); this is in line with current practice and will pose no additional cost.

Most of the verifications required in the bill are already included in the determination process, although some items (such as state residency status) may be based on self-reporting, but can be cross-checked with other available information through the Income and Eligibility Verification System (IEVS). If any staff training is necessary as a result of this provision, it is possible that CDJFS's may experience a minimal increase in administrative costs.

## **Quarterly eligibility review**

The bill requires SNAP and Medicaid recipients to be reviewed for eligibility on a quarterly basis, consistent with federal regulations, as information is received by CDJFSs. This review based on information received through a number of sources is in line with current practices and will pose no additional cost.

## **Background**

SNAP is a United States Department of Agriculture/Food and Nutrition Service (USDA/FNS) program administered by state governments that assists low-income households to purchase food from authorized merchants. A household that receives benefits under the program is a group of people who purchase and prepare meals

together. This would generally be a family, but may also include unrelated adults who share a home and meals. SNAP benefits are fully funded by the federal government and state and local administrative costs are reimbursed by the federal government at a rate of about 50%.

Under current law for SNAP, households are certified for a definite period of time. Households with unstable situations are certified for four months, households which include only elderly or disabled members that have no earned income are certified for 24 months, and all other households are certified for 12 months. Every household has an ongoing responsibility to report changes in gross household income that exceed 130% of the federal poverty level (FPL) and may report other changes as they see fit. ODJFS checks for changes in eligibility status regularly through a number of available interfaces, requires households to participate in an interim report at the mid-point of their certification period, and redetermines eligibility if the household wishes to be recertified at the end of the certification period.

Medicaid is a publicly funded health insurance program for low-income individuals. It is a federal-state joint program administered by the state and funded with federal, state, and, in some states like Ohio, local revenues. The federal government establishes and monitors certain requirements concerning funding, eligibility standards, and quality and scope of medical services. Ohio Medicaid is the largest health insurer in the state. Medicaid services are an entitlement for those who meet eligibility requirements, meaning that if an individual is eligible for the program then they are guaranteed the benefits and the state is obligated to pay for them. The federal government generally reimburses 50% of the state's Medicaid administrative expenditures.

For Medicaid, redeterminations are completed annually. In accordance with federal rules, modified adjusted gross income (MAGI) eligibility determinations can be completed no more frequently than once every 12 months.<sup>1</sup>

CDJFSs determine eligibility for SNAP and often Medicaid. In FY 2016, CDJFSs received \$78.7 million for SNAP administrative activities, expended from federal Fund 3840 appropriation item 600610, Food Assistance Programs and \$159.4 million for Medicaid application processing, predominantly from GRF appropriation item 651425, Medicaid Program Support – State.

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<sup>1</sup> This includes individuals determined eligible in the Covered Families and Children category, accounting for about 60% of the Medicaid caseload in FY 2016.



# OHIO LEGISLATIVE SERVICE COMMISSION

Russ Keller

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 133 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Rep. Ryan

**Local Impact Statement Procedure Required:** Yes

**Subject:** Exempts out-of-state disaster relief businesses and employees from certain taxes and laws

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### State & Local Fiscal Highlights

- The bill authorizes certain tax and licensing exemptions for out-of-state businesses and out-of-state employees that perform disaster relief work on certain infrastructure items. Therefore the bill will likely decrease certain state and local tax and licensing revenue streams.
- The bill will likely decrease state and municipal personal income tax revenue, municipal net profits tax revenue, commercial activity tax revenue, state and county and transit authority use tax revenue, revenue to the Workers' Compensation State Insurance Fund, revenue to the Unemployment Compensation Fund, corporate and business license fee revenue, and possibly occupational license revenue.
- The timing and amount of the revenue decreases and the particular local revenue streams affected will depend on the future experience of declared disasters in Ohio, which is inherently unpredictable, and the proportion of relief work done on critical infrastructure by out-of-state businesses.

### Detailed Fiscal Analysis

The bill exempts out-of-state disaster businesses<sup>2</sup> and out-of-state employees<sup>3</sup> from various state and local taxes and licensing requirements resulting from work done

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<sup>2</sup> To qualify as an out-of-state disaster business, a business must have received a written solicitation from a qualified party to perform the work, and also must not have been subject to Ohio income taxation, or taxation under the commercial activity tax, during the calendar year preceding the disaster response period, other than for additional qualified disaster work, or as a related entity of another taxpayer.

<sup>3</sup> An out-of-state employee may be an employee of an out-of-state disaster business or of a company which owns or uses qualified property and equipment (e.g., a public utility or cable service provider), and must not have done any nondisaster work in Ohio during the period beginning with the preceding calendar year and ending at the disaster response period.

on property and equipment of a public utility, commercial mobile radio service provider, cable service provider, or a video service provider during a declared disaster. At least 26 states have enacted similar legislation, which was adopted by the NCSL Executive Committee Task Force on State and Local Taxation. Fiscal effects of the bill will be determined by future disaster experience, and the proportion of work done during the disaster period by out-of-state disaster businesses and qualifying out-of-state employees.

While it is impossible to know Ohio's future experience of disasters, in the last 25 years beginning in 1992, Ohio has experienced 30 events which were declared emergencies by the Governor or the President of the United States, an average of 1.2 per year. Total public funding provided in the aftermath of each disaster ranged from \$2.1 million to \$155.1 million, with a median amount of \$16.6 million.<sup>4</sup> It is unknown how much of those funds were used to restore property and equipment of public utilities, commercial mobile radio service providers, cable service providers, or video service providers, or how much of the work was done by out-of-state businesses and employees.

Under this bill, the following state and local revenue streams will be affected when work is done by out-of-state disaster businesses and out-of-state employees during future declared disasters in Ohio:

### **State and municipal personal income tax**

Any individual income earned by out-of-state employees during the course of their work on disaster relief is exempt from state and municipal income tax. Any income earned by out-of-state disaster businesses which are pass-through entities is also exempt. Therefore this provision of the bill will decrease state personal income tax revenue which will primarily affect the GRF, the Local Government Fund (LGF), and the Public Library Fund (PLF). The bill will also decrease municipal income tax revenue to any municipalities in which work is done and a municipal income tax is levied.

The bill also amends the existing guidelines for remitting quarterly estimated payments under the state income tax. H.B. 133 makes explicit that each of four estimated tax payments, in combination with amounts withheld and prior year refunds applied to payment of current year taxes, is to total at least the amount of a "required installment" defined as 25% of the lesser of (1) 90% of tax liability for the taxable year, or (2) 100% of tax liability for the preceding taxable year. This provision may alter the timing of payments owed or payments made for some taxpayers but not the total amount of taxes owed. The amount of interest penalties owed may change, but LSC has no basis for estimating any such changes. Amounts involved are relatively small; the income tax yielded less than \$3.0 million in interest penalties for the most recent year for which data are available.

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<sup>4</sup> Data on declared emergencies in Ohio and the public funding provided are from the Ohio and Federal Emergency Management Agencies.

## **Commercial activity tax and municipal income net profits tax**

All gross receipts earned by out-of-state disaster businesses during the course of disaster work are exempt from the commercial activity tax (CAT) and all corresponding income is exempt from any municipal income net profits tax, therefore the bill will decrease such revenue. CAT revenue is primarily distributed to the GRF, the School District Tangible Property Tax Replacement Fund, and the Local Government Tangible Property Tax Replacement Fund.

## **State and county and transit authority use tax**

The use of property and equipment in Ohio by an out-of-state disaster business is exempt from state and local use tax as long as the equipment is removed from the state by 60 days after the disaster declaration expires. The fiscal effect of this exemption may be small since the use of much public utility property is already exempt from the use tax and since under current law, Ohio only taxes the use of property and equipment to the extent that Ohio's rates exceed the rates of the jurisdiction where tax on the property or equipment has already been paid. However, in some instances the bill will still decrease state and local sales and use tax revenue. Sales and use tax revenue is deposited into the GRF, and a portion is subsequently transferred to the LGF and the PLF. Any county or regional transit taxing authority where the disaster work takes place would also lose use tax revenue.

## **Workers' Compensation and unemployment compensation insurance**

Employers are not required to pay Workers' Compensation premiums for an out-of-state disaster employee whose only work in the state is disaster work. Those out-of-state employees are also not eligible to make a claim on the Workers' Compensation system in the event of an injury. Therefore the bill would result in less premium paid into, and a reduction in benefits paid out of, the State Insurance Fund.

Similarly, under the bill employers are not required to pay the state portion of the unemployment insurance tax for out-of-state disaster employees and those employees are not eligible to receive unemployment benefits in Ohio. Therefore the Unemployment Compensation Fund will receive less revenue and a potential reduction in benefits paid out under this bill.

## **Corporate/business filing and occupational license revenue**

The bill exempts out-of-state disaster businesses and out-of-state employees from any business filing and occupational licensing requirements that would be made for the sole purpose of disaster work in the state. This will result in a decrease of revenue to the Business Services Fund (Fund 5990) and the Occupational Licensing and Regulatory Fund (Fund 4K90).





# OHIO LEGISLATIVE SERVICE COMMISSION

Nicholas J. Blaine

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 158 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Reps. Perales and Craig

**Local Impact Statement Procedure Required:** Yes

**Subject:** Unemployment insurance eligibility for spouses of military members who are transferred

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### State Fiscal Highlights

- The bill will result in an increase in benefits issued from Ohio's Unemployment Compensation Fund (the Fund). The increase in benefits will be funded by the state's mutualized account in the Fund for contributory employers.
- State agencies and other government entities (state hospitals, universities, etc.), which are reimbursing employers, may experience an increase in reimbursements made to the Fund for benefits issued to military spouses.

### Local Fiscal Highlights

- Local government entities may experience an increase in reimbursements made to the Fund for benefits issued to military spouses.

### Detailed Fiscal Analysis

The bill extends eligibility for unemployment compensation (UC) benefits to an individual who quits work to accompany the individual's transferred spouse who is a member of the U.S. Armed Forces on active duty or a member of the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) or the Public Health Services (PHS). The bill also states that the military, NOAA, or PHS member must have moved to a location that is impractical to commute from and that the spouse is available for suitable work in order to be eligible to receive unemployment compensation.

### Impact on unemployment benefits

Based on estimates made by the U.S. Department of Defense (USDOD), the bill will increase unemployment benefits issued in Ohio by about \$242,000 each year. This amounts to about a 0.03% increase over the \$854.2 million in unemployment benefits issued in 2017. The estimate assumes that about 44 military spouses will claim benefits each year and that they will receive \$5,498 in benefits, based on the average weekly unemployment benefit amount (\$374) and the average number of weeks of

unemployment (14.7 weeks).<sup>5</sup> USDOD states that the actual cost per individual may be lower, because military spouses tend to make less than the average wage and usually find employment shortly after relocating. The actual cost of extending eligibility will depend on the number of spouses eligible to receive benefits, the number of weeks spouses receive benefit payments, and the amount of weekly benefits for those spouses.

A 2013 analysis estimated that 44 individuals will claim benefits each year in Ohio. This estimate was based on the number of current military spouses in Ohio and the number of military spouses that have claimed benefits in other states. According to USDOD Defense Manpower Data Center, a statistics agency within USDOD, it is estimated that in 2013 about 4,350 spouses of active duty military members resided in Ohio. Of that number, an estimated 2,240 (51.5%) were in the labor force. Then, based on the number of military spouses that have claimed unemployment benefits in other states, USDOD estimated that about 2% of the 2,240 spouses (44 individuals) will claim benefits.

The analysis of military members by USDOD did not include PHS and NOAA members. PHS includes over 6,700 officers, with fewer than 100 working in Ohio while NOAA includes over 300 officers, with none currently stationed in Ohio. Assuming that all PHS officers have spouses, 51.5% of those spouses are in the labor force, and 2.0% of those will claim UC benefits, then this change will likely result in fewer than one additional claim per year.

## **Funding military spousal unemployment benefits**

### **Contributory employers**

USDOD estimates that most military spouses (70%) are employed by contributory employers. Contributory employers are mostly private employers (there are about 222,000 contributory employers in the state). In most cases, if a contributory employer has a layoff, payment of the unemployment benefit is paid from the employer's account in the Fund. As the balance in an employer's account goes down, the rate of contributions in future years for the employer will increase to replenish those losses. However, under the bill, benefits to military spouses will be issued from the mutualized account in the Fund. This account is separate from employer accounts in the Fund and is mainly used to recover the costs of unemployment benefits that were paid and not chargeable to individual employers for a variety of reasons. Benefits issued to military spouses from the mutualized account will not reduce the balance in individual employers' accounts. Therefore, contributory employers will not be charged additional amounts from their own accounts for military spouses that claim benefits under the bill. Due to the estimated small number of claimants, it is unlikely that contributory employers will be required to pay additional amounts into the mutualized account.

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<sup>5</sup> Source: Ohio Department of Job and Family Services, Ohio Labor Market Information. December 2017.

Employer contributions to the Fund are based on state unemployment tax rates that range from 0.3% to 8.8% on the first \$9,500 of each employee's taxable wage. In 2017, the total average state unemployment tax rate was about 2.97% (or \$267 paid per employee). As part of their state unemployment taxes, employers pay a minimum safe level (MSL) tax. This tax, included in the experience rates, ranges from 0.2% to 2.0%, and is charged to employers when the Fund balance is 40% or less of the minimum safe level. The minimum safe level of the Fund, as defined by state law, is \$2.92 billion (as of July 2017); therefore, 40% of that level is \$1.19 billion. This tax is currently in effect, as the Fund remains below this threshold. Half of the amount collected from this tax is credited to an employer's account and the other half is credited to the state's mutualized account. At the end of FY 2017, the state's mutualized account had a positive balance and thus no mutualized tax was charged.

### **Reimbursing employers**

USDOD estimates that 30% of military spouses are employed by reimbursing employers. Reimbursing employers generally include public employers (state agencies, local government entities, etc.) and nonprofit organizations that have elected to be reimbursing employers instead of contributory employers. Reimbursing employers are billed once a month, after the fact, for the amount of benefits paid to the employer's former employees from the Fund. Benefits issued under the bill to military spouses by reimbursing employers will be financed through the employer reimbursing the Fund. There are about 5,000 reimbursing employers in the state, of which 3,700 are government entities.

### **Administration**

Extending eligibility to individuals married to active duty military members will minimally increase administrative costs for the Ohio Department of Job and Family Services (ODJFS). Administrative costs will likely be fully funded by the federal government. Ohio receives a federal grant each year to administer unemployment programs. The amount of the grant is based on workload estimates made by the U.S. Department of Labor (USDOL). In addition, each quarter USDOL provides "above-base funding" for costs that exceed the estimated costs. Federal dollars for administration of unemployment programs are deposited into the Unemployment Compensation Fund (Fund 3V40) and are expended from line item 600678, Federal Unemployment Programs.



# OHIO LEGISLATIVE SERVICE COMMISSION

Jacquelyn Schroeder

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 286 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Rep. LaTourette

**Local Impact Statement Procedure Required:** Yes

**Subject:** Palliative care

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### State & Local Fiscal Highlights

- The Ohio Department of Health (ODH) would realize an increase in costs to establish the Palliative Care Consumer and Professional Information and Education Program and provide support for the Palliative Care and Quality of Life Interdisciplinary Council. Costs would include work to develop a website, make updates, conduct research, produce an annual report, and provide administrative support.
- ODH is required to examine potential sources of funding to assist the Council and the Department with any duties the bill establishes. Thus, if a source is identified, costs could be offset.
- ODH may also experience an increase in survey costs to ensure standards are being met for both hospice and palliative care patients, as the bill permits a hospice facility to provide palliative care to a nonhospice patient.
- Additionally, ODH may experience an increase in administrative costs to accept and review Certificate of Need (CON) bed transfer applications and a corresponding increase in CON application fee revenue.
- Government-owned hospitals may realize an increase in administrative costs if additional staff are needed to establish a system to identify patients who could benefit from palliative care.

### Detailed Fiscal Analysis

#### Interdisciplinary Council and Consumer and Professional Information and Education Program

The bill creates the Palliative Care and Quality of Life Interdisciplinary Council and requires the Director of Health to appoint members with expertise in palliative care who represent various professions and constituencies. Each member is to serve without compensation, except to the extent that serving on the Council is considered part of the

member's regular employment duties. The Council is required to meet at least twice each year. The bill requires the Council to consult with and advise the Director on matters related to palliative care initiatives in Ohio. In addition, the Council is required to, among other things, identify national organizations that have established standards of practice and best practice models and establish guidelines for health care facilities and providers to use in identifying patients and residents who could benefit from palliative care. The bill requires the Council to submit an annual report to the Governor, General Assembly, and several executive agencies. The Ohio Department of Health (ODH) is required to provide administrative support for the Council. At the request of the Council, ODH is required to examine potential sources of funding to assist the Council and ODH with certain duties the bill establishes.

The bill establishes the Palliative Care Consumer and Professional Information and Education Program within ODH and specifies that the program's purpose is to maximize the effectiveness of palliative care initiatives by ensuring that comprehensive and accurate information and education on palliative care is available to the public, as well as health care providers and facilities. As part of the program, ODH is required to publish information on palliative care on its website, including information on continuing education opportunities for health care professionals, information about palliative care delivery, best practices, and consumer educational materials and referral information. The bill permits ODH to develop and implement other initiatives regarding palliative care and education as it determines appropriate. ODH is required to consult with the Palliative Care and Quality of Life Interdisciplinary Council in implementing the program.

According to ODH, it would experience an increase in administrative and information technology costs. ODH states that there could be additional staff costs to: develop a website and make updates, conduct various research, help facilitate the work of the Council by summarizing member input and produce an annual report, provide administrative support to the Council, and possibly provide assistance to health care facilities required to provide palliative care information as described below. However, the bill requires ODH, at the request of the Council, to examine potential funding sources to assist ODH and the Council with duties established by the bill. If a source is identified, costs may be offset.

### **Palliative care access**

The bill requires health care facilities and providers to (1) establish a system for identifying patients or residents who could benefit from palliative care and (2) provide information on palliative care to patients and residents who could benefit from palliative care. According to the Ohio Hospital Association, some hospitals may already have a system in place to do this. Those hospitals that do not have such a system could need to hire additional staff in order to implement these measures. Administrative costs could increase for any government-owned hospital that was required to hire additional staff.



In addition to providing palliative care to hospice patients, the bill authorizes a hospice care program to provide palliative care in an inpatient facility or unit operated by the program to patients who are not hospice patients, but only if the care is provided on a short-term basis and is medically necessary for the patient receiving the care. The bill specifies that the above-mentioned provision of palliative care is considered a component of the activities authorized by the hospice care program's license. ODH is required to adopt rules governing the provision of palliative care to patients who are not hospice patients. According to ODH, these provisions may require additional survey time to ensure standards are being met for both hospice and palliative care patients. ODH may also realize a minimal increase in administrative costs to adopt rules.

The bill specifies that certain palliative care patients are excluded from consideration in determining whether an inpatient facility or unit is subject to licensure as a pain management clinic.

The bill also states that nothing in the bill is to be construed as requiring the Medicaid Program to cover palliative care or any other health care service that constitutes palliative care, regardless of how the service is designated by a Medicaid provider or the Medicaid Program, in an amount, duration, or scope that exceeds the coverage that is currently included in the program.

### **Certificate of Need**

The bill authorizes the Director of Health to approve the relocation of certain county home beds or county nursing home beds to a long-term care facility in a contiguous county. ODH may experience an increase in administrative costs to accept and review Certificate of Need (CON) bed transfer applications from county homes or county nursing homes. However, ODH charges fees for CON applications, so these costs could be offset by any CON fee revenue collected.



# OHIO LEGISLATIVE SERVICE COMMISSION

Jessica Murphy

## Fiscal Note & Local Impact Statement

**Bill:** H.B. 425 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Reps. Antani and Craig

**Local Impact Statement Procedure Required:** Yes

**Subject:** Public Records Law exemption for "restricted portions" of peace officer recordings

### State & Local Fiscal Highlights

- State and local law enforcement agencies will incur both of the following: (1) a no more than minimal annual cost to train staff in public records policy, and (2) costs to ensure "restricted portions" of certain recordings are redacted and not released as part of a public records request.
- It does not appear that the Court of Claims or a court of common pleas will incur significant costs to process filings to compel the disclosure of the bill's "restricted portions." Any new filings will be absorbed into the existing workloads to resolve public records disputes.
- The bill's specification that an infrastructure record of a public school is not a public record subject to mandatory release or disclosure under the Public Records Law will generate minimal at most annual compliance costs for state and local public entities in possession of such records.

### Detailed Fiscal Analysis

#### Application of Public Records Law to peace officer recordings

The bill exempts from disclosure certain "restricted portions" of a body-worn camera or a dashboard camera recording under the Public Records Law. Under the bill, "restricted portions" generally include a depiction of the death of a person, grievous bodily harm, an act of severe violence, or a nude body. If a person requests a recording that contains restricted portions, a state or local law enforcement agency is required to redact objectionable parts of the recording, unless consent is obtained when certain criteria are met.

The practical impact of exempting these depictions is that some recordings will require redaction that would otherwise not have been the case under current law. As a result, agencies will likely experience an increase in administrative work, including time and effort, to comply with the bill's exemption. The magnitude of any additional costs is uncertain, as the volume of requests varies by agency. In addition, costs will

depend on the number of staff available to handle requests, the manner in which redaction is performed, the extent to which an agency utilizes cameras, and how long recordings are retained. Law enforcement agencies will also incur a likely no more than minimal annual cost to adjust existing public records training and public records policy. The annual net increase in training and response costs, while variable and uncertain, could exceed minimal in certain jurisdictions.

### **Public school infrastructure records**

The bill specifies that an infrastructure record of a public school is not a public record subject to mandatory release or disclosure under the Public Records Law. The annual compliance costs for state and local public entities in possession of such records will be minimal at most.

### **Civil actions**

Under continuing law, if a person is denied access to public records by a public official or office, the person may do one of the following, but not both:

- File a complaint with the clerk of the Court of Claims or the clerk of the court of common pleas.
- Commence a mandamus action to obtain a judgment that orders the public office or the person responsible to comply with the Public Records Law.

This procedure will apply to compel the disclosure of the restricted portions of a recording that are not a public record. At the outset, it appears that courts generally will not incur significant costs to resolve additional disputes; however, it is unclear as to whether administrative costs will grow in future years, especially as peace officer cameras become more regularly and widely used. Under current law, a person filing such a complaint is required to pay a \$25 fee.<sup>6</sup>

### **Protection orders**

The bill: (1) eliminates the expungement of ex parte orders and records pertaining to those orders in certain protection order cases if the ex parte order is revoked, and (2) provides for the sealing, instead of expungement, of ex parte orders and records pertaining to those orders if the court refuses to grant a protection order in certain other protection order cases. These provisions will not discernibly affect the work and related costs of local courts and clerks of courts that handle sealing of record and expungement cases. Thus, these provisions have no direct fiscal effect on the state or any of its political subdivisions.

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<sup>6</sup> If the complaint is filed with the clerk of the court of common pleas, the fee is credited to the county general fund. If the complaint is filed directly with the Court of Claims, the fee is credited to the state's Public Records Fund, and used by the court to defray its costs.

## **Record sealing and expungement pilot program**

The bill eliminates a record sealing and expungement pilot program that was established in the main operating budget of the 132nd General Assembly. As the authority for the pilot program expired after September 29, 2018, this provision has no direct fiscal effect on the state or any of its political subdivisions.



# OHIO LEGISLATIVE SERVICE COMMISSION

Russ Keller

## Fiscal Note & Local Impact Statement

**Bill:** H.B. 430 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Rep. Schaffer

**Local Impact Statement Procedure Required:** Yes

**Subject:** Sales tax exemption for certain aspects of oil and gas production and extension of a moratorium on licensing fireworks manufacturers and wholesalers

### State & Local Fiscal Highlights

FY 2019		FY 2020	FUTURE YEARS
<b>State General Revenue Fund</b>			
Revenues	Loss up to \$2.7 million	Minimal annual loss	Minimal annual loss
<b>Local Government and Public Library funds (counties, municipalities, townships, and public libraries)</b>			
Revenues	Loss up to \$0.1 million	Minimal annual loss	Minimal annual loss
<b>Counties and transit authorities</b>			
Revenues	Loss up to \$0.6 million from reduced local sales taxes	Minimal annual loss from reduced local sales taxes	Minimal annual loss from reduced local sales taxes

Note: The state or school district fiscal year is July 1 through June 30. For example, FY 2018 is July 1, 2017 – June 30, 2018. For other local governments, the fiscal year is the calendar year.

- H.B. 430 modifies the sales and use tax base as it has been administered by the Department of Taxation, which affects state sales tax revenue and revenue from local county permissive and transit authority sales taxes. The bill states, though, that it is “a remedial measure intended to clarify existing law.”
- The Ohio Department of Taxation estimates that H.B. 430 reduces GRF receipts by up to \$2.7 million in FY 2019 and minimal amounts in FY 2020. The tax department also anticipates applicable counties will lose a combined amount up to \$0.6 million in local tax receipts in FY 2019 and minimal amounts in FY 2020.
- The state sales tax revenue effect would be shared by the state General Revenue Fund (GRF, 96.66% in FY 2019 and 96.68% thereafter), the Local Government Fund (LGF, 1.66%), and the Public Library Fund (PLF, 1.68% in FY 2019 and 1.66% thereafter). Funds deposited into the LGF and PLF are distributed to counties, municipalities, townships, and public libraries according to statutory formulas and decisions by county budget commissions.
- The bill extends a moratorium on the issuance of licenses to fireworks manufacturers and fireworks wholesalers until December 31, 2019.



## Detailed Fiscal Analysis

H.B. 430 modifies the existing sales and use tax exemption for property used directly in producing oil and natural gas. Existing law exempts the sale or use of tangible personal property used “directly” in the production of crude oil or natural gas. The bill modifies this language by exempting sales where the purpose of the purchaser is “to use or consume the thing transferred directly in production of crude oil and natural gas for sale. Persons engaged in rendering production services for others are deemed engaged in production.” The bill subsequently enumerates more than two dozen instances of “thing transferred,” and specifies whether or not it qualifies for the sales tax exemption. H.B. 430 also elaborates on the term “production” to mean “operations and tangible personal property directly used to expose and evaluate an underground reservoir that may contain hydrocarbon resources, prepare the wellbore for production, and lift and control all substances yielded by the reservoir to the surface of the earth.”

Separately, H.B. 430 specifies that property used to control water pollution may qualify for existing property tax and sales and use tax exemptions even if the Department of Natural Resources is the agency that approves the property as qualifying pollution control property. Current law provides that the Ohio Environmental Protection Agency is qualified to make such approvals, as is “any other governmental agency having authority to approve installation of” water pollution control facilities.<sup>7</sup>

The bill states that it “is a remedial measure intended to clarify existing law and applies to all cases pending on a petition for reassessment or further appeal, or transactions subject to an audit by the Department of Taxation, on or after, May 18, 2018.”

The bill’s effect on the continuing sales tax exemption is not clearly apparent from the statutory language because the scope of the current exemption is determined largely by an administrative rule and prior decisions by courts and the Board of Tax Appeals. LSC staff found published reports that costs associated with drilling wells in Marcellus shale amount to approximately \$9.7 million per well, of which about \$1.9 million was described as related to “acquisition and leasing” or “permitting.” Although these two aspects are nontaxable, LSC staff are uncertain about the taxable status of the remaining cost items, either under the Department of Taxation’s administration of current law or under H.B. 430, so we lack sufficient information to provide an independent estimate of the revenue effects of the bill.

The Department of Taxation estimates that the bill will reduce GRF receipts up to \$2.7 million in FY 2019, primarily due to the retroactive provision of the bill, and by minimal amounts in years thereafter. The Local Government Fund (LGF) and Public Library Fund (PLF) would lose up to \$0.1 million in FY 2019 and minimal amounts in subsequent years. For those counties in which oil and gas production occurs, the local

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<sup>7</sup> R.C. 5709.20(L).

sales and use tax levied by those counties would lose a combined amount up to \$0.6 million in FY 2019 and minimal amounts in future years.

### **Extension of fireworks manufacturer and wholesaler license moratorium**

The bill extends a moratorium on the issuance of licenses to fireworks manufacturers and fireworks wholesalers until December 31, 2019. Absent this bill, the moratorium would end on September 15, 2018. There are currently five manufacturers and 40 wholesalers authorized to do business in Ohio under the moratorium. The annual license fee for each type of license is \$2,750, the proceeds of which are deposited into the State Fire Marshal Fund (Fund 5460).



# OHIO LEGISLATIVE SERVICE COMMISSION

Terry Steele

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 454 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Reps. Patterson and Arndt

**Local Impact Statement Procedure Required:** Yes

**Subject:** Applies a method to compensate owners for certain older and unused cemetery lots or rights

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### Local Fiscal Highlights

- Depending on the number of cemetery lot owners who use the bill's provisions to seek reimbursements, reclaim rights to original burial lots, or seek rights to available lots, townships may incur additional expenditures.
- There are approximately 2,400 township cemeteries across Ohio. Many of them currently charge \$500 for a burial lot.

### Detailed Fiscal Analysis

The bill requires a board of township trustees to compensate the owner of an as yet unused cemetery lot or right who comes forward after the township reclaims its interest in the lot or right. The bill applies to those lots or rights purchased before July 24, 1986 and entombment rights purchased before September 29, 2015. Current law allows townships the ability to reclaim unused lots or rights if an owner has not responded to a certified mailing or public notice of this intent before the date specified in the bill. Under the bill, if an owner responds before the specified date, the owner is to be offered: (1) the right to retain the owner's interest, (2) another available lot or right, or (3) 80% of the owner's original purchase price. Additionally, for those lots acquired after July 24, 1986, the bill requires a township to offer an owner who does not renew ownership rights another available lot or right. Finally, the bill requires townships that operate a website to also publish notice of its intent to reenter a lot or right on its website.

The fiscal impact of the bill will depend on the number of applicable lots or rights for which a township will reclaim its rights. Additionally, the purchase price of these lots and rights, as well as the ability to identify and contact the owner, will dictate the total payments made by townships. All of these are unknown factors. In examining township cemetery prices, many currently charge approximately \$500 for a burial lot, although pricing for those same lots in 1986 is likely to have been lower. Assuming a cost of \$400 per lot owner (80% of original \$500 cost) and 250 qualified lot owners throughout Ohio, the statewide costs for townships to compensate qualified lot owners

could reach \$100,000. Some or all of this expense could be offset, however, if the lots are resold. According to the Ohio Township Association, townships in Ohio operate approximately 2,400 cemeteries.



# OHIO LEGISLATIVE SERVICE COMMISSION

Shannon Pleiman

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 489 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Rep. Dever

**Local Impact Statement Procedure Required:** Yes

**Subject:** Revises the laws governing state banks and credit unions and makes other changes

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### State Fiscal Highlights

- The bill may minimally decrease examination expenses incurred by the Division of Financial Institutions within the Department of Commerce related to the provisions affecting state banks and credit unions. Examination expenses are paid from the Banks Fund (Fund 5540) and the Credit Unions Fund (Fund 5520).

### Detailed Fiscal Analysis

#### Frequency of bank and credit union examinations

The bill contains a provision that may decrease the number of bank and credit union examinations to be carried out by the Division of Financial Institutions within the Department of Commerce. As of November 2018, there are 113 state banks and 122 credit unions licensed by the Division and subject to examination at least once every 12 to 18 months or as often as the Superintendent of Financial Institutions considers necessary on each state bank and credit union. Instead, the bill generally prohibits the Superintendent from conducting examinations more often than once every 24 months for a state bank or credit union that meets the following conditions: (1) it maintains assets of \$10 billion or less, and (2) it maintains a composite rating of one (the highest rating) under the uniform financial institutions rating system. As of November 2018, 32 banks and 20 credit unions meet these conditions. More frequent examinations may be carried out if (1) there is reasonable cause to believe that there is a risk of harm to the bank, or (2) the Division participates with other financial regulatory authorities in a joint, concurrent, or coordinated examination. The Division currently employs 31 state bank examiners and 17 credit union examiners. Examinations are funded by assessment fees which are based on total assets of banks and credit unions. These fees are deposited into the Banks Fund (Fund 5440) and Credit Unions Fund (Fund 5520).

## **Mortgage servicer registration**

The bill requires a nonexempt mortgage loan servicer to register every principal office and branch office with the Division of Financial Institutions under the regulatory umbrella of the Ohio Residential Mortgage Lending Act that became effective March 23, 2018. That act inadvertently exempted entities involved exclusively in mortgage loan servicing from this registration requirement, something that was required under the Ohio Mortgage Loan Act (OMLA) effective through March 22, 2018. H.B. 489 effectively continues this registration requirement. In FY 2017, there were 1,691 OMLA registrants, including both mortgage servicers and mortgage lending entities. The annual renewal fee is \$500 and is deposited into the Consumer Finance Fund (Fund 5530).

## **Credit Union Law changes**

The bill revises the Credit Union Law relative to membership, voting by members and members' meetings, the board of directors, credit committees, compensation and gifts, acquisition of real estate and service facilities, programs to promote consumer savings, and the Credit Union Council. Under these provisions, the bill (1) removes the necessity of obtaining the Superintendent of Financial Institutions' approval for a credit union to purchase real estate, and (2) allows the Superintendent to adopt rules regarding a credit union providing its directors and supervisory committee members compensation for their services or gifts of minimal value. Any savings or costs from these provisions would be minimal and accrue to the Credit Unions Fund (Fund 5520).

## **Other provisions**

There are several other financial institution provisions that may have a minimal fiscal effect. One provision includes prohibiting a person from using the name of a credit union without its express written permission in promotional material in any way that may mislead or cause another person to be misled into believing that the person issuing the promotional material is associated with the credit union. A person who violates this prohibition is subject to a civil penalty of up to \$10,000 for each day the violation is committed. It is unclear how frequently this violation may occur. Any civil penalties that stem from such cases would be deposited into the Credit Unions Fund (Fund 5520). Another provision under the bill provides for certain conditions when a bank or credit union may not be held civilly liable or subject to sanction by the Superintendent in the event of a "bona fide error." If these certain conditions are not met by a bank or credit union, a consumer injured by the error has a cause of action to recover the damages; however, the action cannot be maintained as a class action. It is unclear what effect this would have on courts and the number of cases initiated.

## **Data analytics**

The bill authorizes the Speaker of the House of Representatives or the President of the Senate to request the Legislative Service Commission (LSC) to arrange for "data analytics" to be conducted on any publicly available data regarding state banks, credit unions, or any other specifically licensed or registered consumer finance companies to

assist the General Assembly in proposing or evaluating legislation. To fulfill this responsibility, the bill permits LSC to retain economists, financial analysts, and any other necessary professionals on a consulting basis. This provision may increase LSC's administrative costs depending on the number of requests and the extent of the research requested.





# OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 497 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Reps. Rogers and Manning

**Local Impact Statement Procedure Required:** Yes

**Subject:** Nonconsensual dissemination of private sexual images

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### State Fiscal Highlights

- There will be a gain in state court cost revenue credited to the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020), with the annual amount dependent upon the number of criminal violations and the ability to collect financial sanctions from offenders.

### Local Fiscal Highlights

- Local criminal and juvenile justice system expenditures related to investigating, prosecuting, adjudicating, defending (if the offender is indigent), and sanctioning a potentially large number of additional offenders may create significant annual costs in many jurisdictions.
- Counties and municipalities are likely to gain additional revenue (court costs, fees, fines) from offenders convicted of violating the bill's new criminal offense. The annual amount will be dependent upon the number of criminal violations and the ability to collect financial sanctions from offenders.
- The effect of the bill's civil action provisions on the daily operations and related operating expenses of the courts will depend on the monetary amount being sought by the victim, the frequency of civil actions being filed, and the matter's legal complexity.

### Detailed Fiscal Analysis

The bill: (1) creates the offense of "nonconsensual dissemination of private sexual images," a violation of which is a third, second, or first degree misdemeanor depending on the circumstances present, (2) permits the court to order a convicted offender to forfeit any property acquired or maintained in connection with the nonconsensual dissemination of private sexual images, (3) creates a civil action in which the victim may file against the convicted offender, and (4) prohibits higher education institutions and public licensing authorities from taking certain actions against a victim.

## **Estimated caseload**

In general, the fiscal impact of the bill's criminal offense depends on the likely number of new cases the criminal and juvenile justice systems would have to handle. Research into this subject suggests that the nonconsensual dissemination of private sexual images is not a rare or infrequent occurrence, although no systematic data appears to exist.

Several studies indicate that between 20% and 30% of various samples of teenagers and young adults have emailed or texted nude pictures of themselves to another person.<sup>8</sup> Further research suggests that about 10% of former intimate partners have threatened to distribute intimate photos and about 60% follow through with the threat.<sup>9</sup>

While the specific number of nonconsensual distributions that occur in Ohio is unclear, these studies suggest there is a potential for thousands of instances statewide that could be subject to charges under the bill. This number will depend on various factors, including whether a victim becomes aware of distributed images and then reports the matter to law enforcement, and the potentially time-consuming and problematic nature of investigating the matter (collecting evidence and tracking the distribution). Since it is not specifically prohibited under current law, many instances of nonconsensual distribution of private sexual images may go unreported. The bill may bring these cases into the criminal and juvenile justice systems.

## **Local criminal and juvenile justice systems**

### **County and municipal expenditures**

Irrespective of any difficulties in making arrests and prosecuting viable cases, there will be a potentially large statewide increase in misdemeanor cases for local criminal and juvenile justice systems to resolve involving persons whose conduct under current law might not have led to their being arrested, charged, and prosecuted. If this were to happen, then, theoretically at least, local expenditures related to investigating, prosecuting, adjudicating, defending (if the offender is indigent), and sanctioning offenders would potentially increase significantly in any affected county or

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<sup>8</sup> "Sex and Tech: Results from a survey of teens and young adults," (2008), National Campaign to Prevent Teen and Unplanned Pregnancy, [http://www.thenationalcampaign.org/sextech/pdf/sextech\\_summary.pdf](http://www.thenationalcampaign.org/sextech/pdf/sextech_summary.pdf).

Temple, Jeff et al. "Teen sexting and its association with sexual behaviors," *Archives of Pediatrics and Adolescent Medicine*, 166(9) (2012): 828-833.

Strassberg, DS et al. "Sexting by high school students: an exploratory and descriptive study," *Archives of Sexual Behavior*, 42(1) (2013): 15-21.

<sup>9</sup> McAfee (2013), "Lovers Beware: Scorned Exes May Share Intimate Data and Images," [Press Release] online: <http://www.mcafee.com/us/about/news/2013/q1/20130204-01.aspx>.

municipality, particularly if the courts imposed a jail term given the nature of the offense and the damages inflicted on victims.

The table below summarizes current law's jail terms and fines generally for misdemeanors of the third, second, and first degree. The average jail cost statewide is around \$76 per day per offender.

<b>Jail Terms and Fines for Certain Misdemeanor Offenses Generally</b>		
<b>Classification</b>	<b>Fine</b>	<b>Possible Term of Incarceration</b>
Misdemeanor 3rd degree	Up to \$500	Jail, not more than 60 days
Misdemeanor 2nd degree	Up to \$750	Jail, not more than 90 days
Misdemeanor 1st degree	Up to \$1,000	Jail, not more than 180 days

### **County and municipal revenues**

If, as assumed above, the number of additional criminal and juvenile cases and successful prosecutions that will be created exclusively by violations of the bill's new prohibition may be somewhat large in any affected local jurisdiction, then the potential amount of annual revenue (court costs, fees, and fines) that might be generated for that local jurisdiction may also be significant. The actual amount collected in any jurisdiction will depend on the size of the fines imposed by the courts and the collection rates for those jurisdictions.

### **Criminal forfeiture of property**

Under the bill, in addition to any other penalties or dispositions, the court is permitted to order a convicted offender to forfeit any property acquired or maintained in connection with the nonconsensual dissemination of private sexual images. It is likely that common pleas, municipal, and county courts can absorb this forfeiture provision, when so ordered, into their daily operations with no discernible ongoing cost. The value of the property that might be forfeited annually to the state and/or a political subdivision is indeterminate.

### **State court cost revenues**

As a result of the bill's new offense, some persons whose conduct may not have been criminal under current state law will be arrested and successfully prosecuted. This creates the possibility that the state may gain locally collected court cost revenues credited to the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020).

The state court cost for a misdemeanor conviction is \$29, with \$20 of that amount being credited to Fund 5DY0, and \$9 to Fund 4020. As the number of persons each year potentially convicted statewide may be large, the amount of court cost revenues credited to those state funds annually may also be significant depending on the number of convictions and the collection rates, the latter of which are typically low.

## **Civil action by victim**

The bill permits a victim of nonconsensual dissemination of private sexual images to file a civil action against the convicted offender. Included in the actions that the court is permitted to take is the award of compensatory damages, punitive damages, reasonable attorney's fees, and costs of bringing the action.

The effect on the daily operations and related operating expenses of the courts will depend on the monetary amount being sought by the victim, the frequency of civil actions being filed, and the matter's legal complexity. Municipal and county courts have limited civil jurisdiction, and may only hear cases in which the amount of money in dispute does not exceed \$15,000. Common pleas courts hear all cases in which the amount of money in dispute is more than \$15,000.

## **Higher education requirements**

Under the bill, an institution of higher education is prohibited from engaging in certain actions against an applicant or student who is a victim, or is perceived to be a victim, of nonconsensual dissemination of private sexual images. Presumably, public institutions of higher education generally will comply with the bill's prohibition and rarely incur costs to defend their actions and pay for a remedy.

## **Public licensing authority requirements**

Under the bill, a public licensing authority is prohibited from knowingly taking certain actions against an individual who is a victim, or is perceived to be a victim, of nonconsensual dissemination of private sexual images. Presumably, state and local licensing authorities generally will comply with the bill's prohibition and rarely incur costs to defend their actions and pay for a remedy.



# OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 66 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Sens. Eklund and Tavares

**Local Impact Statement Procedure Required:** Yes

**Subject:** Sentencing, corrections, conviction record sealing, and land conveyances

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### State Fiscal Highlights

- The bill's felony sentencing provisions likely generate an indeterminate annual savings effect on the GRF-funded incarceration costs of the Department of Rehabilitation and Correction (DRC) by diverting offenders from being sent to prison or reducing their lengths of stay.
- The conviction record sealing expansion will likely generate a minimal at most annual gain in application fees credited to the GRF.
- The bill authorizes the conveyance of state-owned real estate (including wastewater and/or water treatment plants) in Madison and Scioto counties currently under the jurisdiction of DRC to the Madison County Board of County Commissioners and Scioto County Board of County Commissioners, respectively, through a negotiated real estate purchase agreement for \$1 each.
- With the sale of these plants noted in the preceding dot point, DRC would become a customer for these sanitary effluent and/or potable water services in Madison and Scioto counties, which means the Department will have to pay a yet to be determined annual amount from the General Revenue Fund (GRF) for those services.

### Local Fiscal Highlights

- The bill generates a mix of expenditure savings and increases for county criminal justice systems, the net of which could be a significant annual cost increase driven by the provision expanding the offenders eligible for conviction record sealing.
- The conviction record sealing expansion will likely generate for counties generally a minimal at most annual gain in application fee revenues.
- With the acquisition of wastewater and/or water treatment plants from DRC, Madison and Scioto counties would incur ongoing costs to operate and maintain those plants and any related infrastructure, as well as costs to undertake any necessary capital improvements. Revenue to cover those costs could conceivably

consist of user charges, including money paid by the state, a tax levy, or capital improvement bond proceeds. The net annual fiscal effect on either county is unclear, as the magnitude of the possible revenues and expenditures is indeterminate.

## **Detailed Fiscal Analysis**

The bill: (1) modifies numerous aspects of the law governing sentencing, corrections, and conviction record sealing, and (2) authorizes the conveyance of state-owned real estate in Madison and Scioto counties currently under the jurisdiction of the Department of Rehabilitation and Correction (DRC).

### **Community control sanctions**

The bill removes the one-year minimum that currently applies when a court sentences an offender to a community control sanction for a fourth or fifth degree felony under the existing presumption for community control sanctions and expressly authorizes the court to impose a combination of community control sanctions. This change may reduce the costs that a county otherwise may have incurred when community control sanctions are imposed on certain felony offenders by: (1) permitting the use of less expensive sanctions, and/or (2) reducing their duration.

The bill permits a court to impose a new term of up to six months in a community-based correctional facility (CBCF), a halfway house, or a local jail as a penalty for a felony offender who violates a community control sanction condition. Currently, if a felony offender who is sentenced to a community control sanction commits a violation, the sentencing court may impose one or more of three specified penalties: longer time under the same sanction, a more restrictive community control sanction, or a prison term. The placement of such offenders in a CBCF or halfway house for up to six months, rather than a prison, will help DRC restrain the growth of institutional operating expenditures, although the magnitude of any spending reductions is uncertain. CBCFs and halfway houses are a less expensive alternative because the beds turn over faster. The average stay is approximately four months in a CBCF and three months in a halfway house.

### **Intervention in lieu of conviction (ILC)**

The bill provides the court with an additional sanction that it may impose when it has determined that a person who has already been granted ILC has failed to comply with an ILC term or condition. Under current law, upon determining that such a compliance failure has occurred, the court's only option is to enter a finding of guilty and impose a sentence in accordance with the Felony Sentencing Law, which may include the imposition of a prison term. The bill provides the court with the option of allowing the person to continue participating in ILC.

This provision may divert offenders that have failed to comply with a term or condition of their ILC plan from being sent to prison and allow them to continue on ILC. The diversion of these offenders from prison may reduce DRC's incarceration

expenditures, and there would be a corresponding increase in county expenditures for the assessment and continued treatment of offenders that failed to comply with a term or condition of their ILC plan.

### **Eligibility for conviction record sealing**

The bill expands the definition of offenders who are eligible to apply to the court for the sealing of the offender's record of conviction. Currently, for purposes of the Conviction Record Sealing Law, "eligible offenders" includes only a person who has been convicted of an offense in Ohio or any other jurisdiction and who has not more than one felony conviction, not more than two misdemeanor convictions, or not more than one felony conviction and one misdemeanor conviction in Ohio or any other jurisdiction. Under the bill, the term "eligible offenders" also includes anyone who has been convicted of one or more offenses, but not more than five felonies, that are fourth or fifth degree felonies and none of those offenses are an "offense of violence" (a defined term) or a felony sex offense.

The definition expansion potentially makes thousands of offenders with multiple convictions for qualifying offenses eligible for conviction record sealing. Many of these offenders are likely to apply, as presumably it may remove an employment barrier.

When an application to seal a record is filed, the court sets a hearing date and notifies the county prosecutor's office. The prosecutor may object to the application by filing a formal objection with the court prior to the hearing date. The court also directs the relevant probation department providing services to that particular county to investigate and submit reports concerning the applicant.

The combined annual cost for the clerks of courts, sentencing courts, county prosecutors, and probation departments to perform the required work generated by this provision is indeterminate. Given the potential number of new applications, however, that cost could be significant, in particular for the state's larger more populous urban counties.

Upon filing an application with a court, the applicant, unless deemed to be indigent, pays a \$50 fee, of which \$30 is forwarded to the state treasury for crediting to the General Revenue Fund, and \$20 is paid to the county general fund. Thus, under the bill, the state and counties generally are likely to gain, at most, minimal annual revenue.

### **Northeast Ohio Correctional Center**

The bill extends the Ohio State Highway Patrol's legal authority to enforce criminal laws to apply to the Northeast Ohio Correctional Center, a privately owned and operated prison that contracts with DRC to house certain state prisoners. The Patrol already has a memorandum of understanding (MOU) with the facility that permits the same access as they have in any of the state-owned prisons. This provision has no fiscal effect, as it codifies the current practice as defined in the MOU.



## **Remittance of state income taxes**

Under current law, the failure of employers to remit state income taxes withheld from employees is a felony of the fifth degree. The bill reduces the penalty to an unclassified misdemeanor with a jail term of up to 60 days and a fine of up to \$1,000. If the offender has a prior conviction, the offense becomes a felony of the fifth degree.

The number of criminal cases in which employers fail to remit taxes is uncertain. There is no data indicating the number entering prison for such an offense, suggesting that it would be a rare occurrence. Since this offense is more of a regulatory offense, those convicted are more likely to pay fines, court costs, and fees. With the first offense being reduced to the misdemeanor level, some counties may experience a very small reduction in fine revenues collected. The maximum fine for a felony of the fifth degree is \$2,500. The bill reduces the maximum fine to \$1,000. It is unlikely that anyone would receive jail time under the new sentencing structure, given the current state of jail crowding and the nonviolent nature of the offense.

## **DRC land conveyances**

The bill authorizes the conveyance of state-owned real estate in Madison and Scioto counties currently under the jurisdiction of DRC to the Madison County Board of County Commissioners and Scioto County Board of County Commissioners, respectively, through a negotiated real estate purchase agreement for \$1 each.<sup>10</sup>

The state-owned real estate in Madison County contains a plant that services sanitary effluent and potable water from and to the London Correctional Institution, the London Correctional Training and Education Center, the Madison Correctional Institution, and Bureau of Criminal Investigation facilities. The purchase agreement requires the Madison County plants to continue to provide those services, so long as DRC or the Attorney General consider it necessary, and that the state be charged reasonable, negotiated user rates.

The state-owned real estate in Scioto County contains a plant that services sanitary effluent from and to the Southern Ohio Correctional Facility. The purchase agreement requires the Madison County plant to continue to provide those services so long as DRC considers it necessary, and that the state be charged reasonable, negotiated user rates.

Under current law, payments for institutional usage of water and/or sewage treatment plants at six DRC correctional institutions, including money generated by contracts with other users, e.g., political subdivisions, is credited to the Correctional Institution Water and Sewage Treatment Facility Services Fund (Fund 4B00). From DRC's perspective, the land conveyance provision will not have a significant net annual

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<sup>10</sup> The \$1 will be credited to the Adult and Juvenile Correctional Facilities Bond Retirement Fund (Fund 7097). The authority to convey this state-owned real estate expires three years after the bill's effective date.

fiscal effect on Fund 4B00, as the revenue foregone will be more or less offset by the reduction in plant operating costs.

With the sale of these plants, DRC will become a customer for these sanitary effluent and/or potable services in Madison and Scioto counties, which means the Department would have to pay a yet to be determined annual amount from the GRF for those services.

With the acquisition of wastewater and/or water treatment plants from DRC, Madison and Scioto counties would incur ongoing costs to operate and maintain those plants and any related infrastructure, as well as costs to undertake any necessary capital improvements. Revenue to cover those costs could conceivably consist of user charges, including money paid by the state, a tax levy, or capital improvement bond proceeds. The net annual fiscal effect on either county is unclear, as the magnitude of the possible revenues and expenditures is indeterminate.



# OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers

## Fiscal Note & Local Impact Statement

**Bill:** S.B. 81 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Sen. Terhar

**Local Impact Statement Procedure Required:** Yes

**Subject:** Concealed handgun license fee waiver for specified military personnel

### State & Local Fiscal Highlights

- The Attorney General and county sheriffs statewide each potentially lose hundreds of thousands of dollars annually as a result of the fee waiver provision.
- The bill makes hundreds of thousands of current and former members of the U.S. armed forces eligible for a waiver of the concealed handgun fee. In certain counties, the increased number of applicants for a license and the related revenue loss may be significant enough that the sheriff will need additional funding to cover operating expenses, including the cost of required background checks. The amount of additional funding needed by any given sheriff could exceed \$5,000 to \$10,000 annually.
- Complying with the fee waiver notification requirements will create minimal at most annual costs for the Attorney General and county sheriffs that can be absorbed utilizing existing resources.

### Detailed Fiscal Analysis

The bill waives the fee required for a permit to carry a concealed handgun for applicants who are active or reserve members of the U.S. armed forces, or who have retired from or were honorably discharged from such military service. The bill also caps the waiver of concealed handgun license fees at \$1.5 million each calendar year (CY). Once the annual waiver limit has been met, a county sheriff may not waive the payment of the license fee for the remainder of that year.

#### Eligible population

Some basic information on current and former members of the U.S. armed forces and concealed carry permits is as follows:

- The total number of U.S. armed forces members in Ohio is currently around 873,000, which includes approximately 866,000 veterans and 7,000 active-duty military.

- The total number of concealed carry permits issued in Ohio is around 700,000. In CY 2016, county sheriffs issued 158,939 regular licenses (117,953 new licenses and 40,986 renewal licenses) and 43 temporary licenses.

**New licenses.** As indicated above, there will be hundreds of thousands of current and former U.S. armed forces members eligible for the bill's fee waiver. The number of those individuals that will apply for a permit simply because of the fee waiver is uncertain. Presumably some will, which means that, subsequent to its enactment, this fee waiver provision may lead to a short-term increase in the number of new applicants for a concealed handgun license.

**Renewal licenses.** The bill may also affect license renewal activity, as current and former U.S. armed forces members with an active license will not have to pay the required fee when they renew that license. The number of those individuals (active duty and veterans) with active licenses in Ohio is uncertain.

### **Concealed handgun license fee**

Under current law, the fee for a concealed carry license is as follows: new (\$67/\$91) and renewal (\$50/\$74).<sup>11</sup> A license is valid for five years. The fees are collected by the county sheriff as part of their duties and responsibilities to administer and enforce the state's Concealed Handgun Law. The sheriff retains a portion of the fee (\$40 of a new license and \$35 of the renewal license) for crediting to the Sheriff's Concealed Handgun License Issuance Expense Fund, which a sheriff is permitted to use: (1) for any costs incurred in connection with performing any administrative functions related to the issuance of concealed handgun licenses, or (2) ammunition and firearms. The remainder is forwarded for crediting to the state's General Reimbursement Fund (Fund 1060), which the Attorney General uses, in part, to fund the cost of background checks performed by the Bureau of Criminal Investigation (BCI), as well as any checks requested from the FBI. Under the bill, the Attorney General and sheriffs statewide each potentially lose hundreds of thousands of dollars annually as a result of the fee waiver provision.

As noted, the bill does not exempt current and former U.S. armed forces members from the requirement that a person apply for a concealed handgun license. The bill only exempts those individuals from paying the license or renewal fees until the point at which the total statewide lost fee revenue reaches \$1.5 million in a calendar year. All of the work required to issue those licenses and renewals will still occur.

The bill also requires the sheriff to transmit a notice to the Attorney General, in a manner determined by the Attorney General, every time a fee is waived under this provision. The Attorney General must monitor the fees waived and inform sheriffs if the total amount of fees waived under this provision reaches or exceeds \$1.5 million. If a

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<sup>11</sup> Applicants residing in Ohio for five years or more pay a fee of \$67 for a new license or \$50 for a renewal license. Applicants residing in Ohio for less than five years pay an additional \$24 for a new or renewal license for the cost of the required FBI background check (R.C. 2923.125).

sheriff has received notice that the annual waiver limit has been met, the sheriff may not waive the payment of the license fee for the remainder of that year. Complying with these requirements will create minimal at most annual costs for the Attorney General and county sheriffs that can be absorbed utilizing existing resources.

According to the Buckeye State Sheriffs' Association, all of the fee revenue typically collected for concealed handgun licenses and renewals is expended to pay for administrative personnel and BCI background checks. As the bill does not lessen the workload but does create the potential for lost fee revenue, county sheriffs generally may have to find other funds to cover related operating expenses. For certain counties, the amount of replacement revenue needed could exceed \$5,000 to \$10,000 annually.



# OHIO LEGISLATIVE SERVICE COMMISSION

Jean J. Botomogno

## Fiscal Note & Local Impact Statement

**Bill:** S.B. 226 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Sen. Bacon

**Local Impact Statement Procedure Required:** Yes

**Subject:** Permanent three-day sales tax holiday in August, permitted purposes for certain property tax levies, and to declare an emergency

### State & Local Fiscal Highlights

STATE FUND	FY 2019	FY 2020	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	Loss of \$16.3 million	Losses, likely to grow each year
<b>Local Government and Public Library Fund (counties, municipalities, townships, and public libraries)</b>			
Revenues	- 0 -	Loss of \$0.6 million	Losses, likely to grow each year
<b>Counties and transit authorities</b>			
Revenues	- 0 -	Loss of \$4.1 million	Losses, likely to grow each year

Note: The state fiscal year is July 1 through June 30. For example, FY 2018 is July 1, 2017 – June 30, 2018.

- The bill creates a permanent three-day sales tax holiday, starting with the first Friday in August of each year and exempts sales of clothing (up to \$75 per item), school supplies (up to \$20 per item), and school instructional materials (up to \$20 per item).
- The bill reduces the sales and use tax base, and thus decreases state sales tax revenue and receipts from local permissive county and transit authority sales taxes. Due to past legislation that established similar, but temporary sales tax holidays, the bill would start affecting sales tax revenue with the sales tax holiday of August 2019 (FY 2020).
- The state sales tax revenue loss would be shared by the General Revenue Fund (GRF, 96.68%), the Local Government Fund (LGF, 1.66%), and the Public Library Fund (PLF, 1.66%). Funds deposited into the LGF and PLF are distributed to counties, municipalities, townships, and public libraries according to statutory formulas and decisions by county budget commissions.
- The bill allows county school financing districts to put levies on the ballot for school safety and security and mental health services. If approved, the levies would raise additional property tax revenues to fund the specified services.

## Detailed Fiscal Analysis

### Sales tax holiday

The bill permanently exempts from the sales tax sales occurring on the first Friday in August of each year, and the following Saturday and Sunday, of the following items: clothing (up to \$75 per item), school supplies (up to \$20 per item), and school instructional materials (up to \$20 per item). Temporary sales tax holidays were held in 2015 (S.B. 243 of the 130th General Assembly), 2016 (S.B. 264 of the 131st General Assembly), and 2017 (S.B. 9 of the 132nd General Assembly). H.B. 49 (the operating budget act for the current biennium) enacted a temporary sales tax holiday in August 2018. The first revenue effects from this provision would thus occur in August 2019, i.e., in FY 2020.

The bill is estimated to reduce state revenue from the sales and use tax by up to \$16.9 million in FY 2020. Under permanent law, the GRF would receive 96.68% of the revenue from the state sales and use tax, while 1.66% of the receipts are transferred to the Local Government Fund (LGF, Fund 7069) and an identical share to the Public Library Fund (PLF, Fund 7065); funds in the LGF and PLF are for distribution to counties, municipalities, townships, and public libraries. Thus, sales tax revenue to the GRF would decline by up to \$16.3 million in FY 2020, and distributions to the LGF and PLF would be reduced by a total of about \$0.6 million.

The bill will also reduce the tax base for permissive county and transit authority sales taxes. Those local permissive taxes share the state sales and use tax base. The potential revenue loss to local governments from local sales taxes, at approximately 24.5% of state sales tax revenues, would be up to \$4.1 million. Thus, total revenue reductions for local governments, including reduced LGF and PLF distributions, may be up to \$4.7 million. Revenue losses to the state and local governments in years beyond FY 2020 are likely to be higher, depending on expenditures on items exempted by the bill.

The estimates are based on data from surveys from the National Retail Federation (NRF) on back-to-school and back-to-college shopping for 2017, and also on personal consumption expenditures from the U.S. Bureau of Economic Analysis. Estimated Ohio spending was obtained by adjusting national data using an index of Midwest spending patterns (relative to national average spending) from the U.S. Bureau of Labor Statistics (Consumer Expenditure Survey for 2016). This Fiscal Note utilizes school enrollment data by age from the U.S. Census Bureau (American Community Survey, 2016) both for K-12 and college-age students; however, please note that the sale of tax-free items is not limited to households with school-age or college-age children. Please note that back-to-school expenditures in 2017 were projected forward and other adjustments were made to estimate such spending in 2019.

Consumers may opt to shift their purchases by delaying or accelerating their purchases into the sales tax holiday period. The estimates include temporal substitution effects of up to two weeks (based on previous NRF surveys on the timing of back-to-school purchases). If the temporal substitution is less, then the revenue loss from the bill would be less than estimated. If these effects are larger than presumed, the revenue loss could be greater. However, LSC expects most of these potential effects to fall within the holiday month.

As noted above, most additional sales during the tax holiday weekend will be delayed or accelerated purchases to take advantage of the exemption. However, other economic factors are at play. They include price and income substitution effects, cross-border sales effects, and a shift of some sales from remote to store sales during the holiday weekend. The lack of precise empirical data regarding the magnitude of such factors makes this fiscal analysis more complex, and revenue loss estimates may be somewhat overstated, though the bill will result in a fiscal loss of state and local government sales tax revenue.

### **Price and substitution effects**

The temporary sales tax exemption would effectively decrease prices of the tax-exempt items by a percentage equal to the combined state and local sales tax rates. A share of those savings will result in added purchases. Also, lower prices enhance consumer “real” income or purchasing power. This additional income from the sales tax exemption is likely to be spent on both taxable and nontaxable items, and some additional tax revenues may be collected. Also, demand for certain goods would rise during the sales tax holiday weekend, and some research had found evidence that retailers may respond by raising prices, and curtailing their customary “sales prices.”<sup>12</sup>

### **Cross-border sales**

Two cross-border effects are likely to take place with this bill. It is probable that some Ohioans already purchase clothing in other states and most do not pay Ohio use tax on those purchases. Such cross-border sales may remain in Ohio during the sales tax holiday. Also, Ohio stores may increase sales to residents of neighboring states.<sup>13</sup> Therefore, cross-border effects may be present, although impossible to quantify based on available data. However, the total cross-border effect on tax revenue may be small.

### **Shift from remote sales to store sales**

A number of consumers purchase clothing and footwear through mail order and the Internet, in part as a tax avoidance strategy. Therefore, the bill would reduce the appeal of such remote purchases, and thus transfer some of the remote sales to store

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<sup>12</sup> Richard Harper, et al., (2003): *Price Effects Around a Sales Tax Holiday: An Exploratory Study*, 23 Public Budgeting and Finance, 108-113.

<sup>13</sup> Increased sales to residents of Pennsylvania would be limited, because that state excludes clothing from its sales tax base.



sales in Ohio. Electronic commerce continues to grow, and one of the largest online retailers, Amazon, is now collecting use tax from Ohio consumers, though the firm may not collect use taxes for third-party sellers using its platform.<sup>14</sup> This shift from remote to store sales would result in a positive, but uncertain, fiscal impact.

### **County school financing district levies**

The bill permits a county school financing district to levy taxes for provision of school safety and security and mental health services, including training and employment of or contracting for the services of safety personnel, mental health personnel, social workers, and counselors. Under current law, unchanged by the bill, the governing board of an educational service center (ESC) may declare that its territory is a county school financing district, which may be formed to levy taxes for provision of specified educational programs and services by the school districts that are part of the district. Also under current law, an ESC's governing board, upon receipt of identical resolutions adopted by the board of education of each school district within the territory of the county school financing district, may submit a tax levy to electors. The bill adds to the purposes for which such a levy may be proposed the current expenses of school safety and security and mental health services, including training and employment of or contracting for services of safety personnel, mental health personnel, social workers, and counselors.

This provision may result in one or more additional tax levies being placed on the ballot which, if approved, would raise additional property tax revenues to fund the specified services.

S.B. 226 includes an emergency clause to permit ESCs to submit levies to electors as soon as possible. So the bill would go into immediate effect upon passage and the Governor's action.

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<sup>14</sup> Third-party sales have grown to exceed Amazon's sales. Thus, though collections by Amazon may have improved online sales tax collections, overall use tax compliance relative to remote sales remains low.



# OHIO LEGISLATIVE SERVICE COMMISSION

Jessica Murphy

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 231 of the 132nd G.A.

**Status:** As Enacted

**Sponsor:** Sen. Gardner

**Local Impact Statement Procedure Required:** Yes

**Subject:** Violent offender database

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### State Fiscal Highlights

- The Office of the Attorney General will experience an initial one-time cost of about \$50,000 to establish the violent offender database if incorporated into its existing vendor-operated sex offender and arson registries. There may be an additional annual cost to incorporate that duty into the existing contract.
- There will be violations of the bill's enrollment requirements, with some violators being sentenced to prison. Relative to the total number of offenders incarcerated annually however, any increase in the Department of Rehabilitation and Correction's overall prison population, and resultant expenses, is initially expected to be minimal. Expenditures in subsequent years could possibly be more significant, as the number of offenders with re-enrollment duties increase and the probability of more violations likely rises.
- The state may gain a minimal at most amount of revenue annually in the form of locally collected court costs that are forwarded for crediting to the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020).

### Local Fiscal Highlights

- At the outset, it appears that county sheriffs generally will not incur significant costs to incorporate the bill's violent offender enrollment duty into their existing sex offender and arson registry responsibilities. It is unclear as to whether this duty will become more fiscally problematic as the size of the registry will grow each year.
- The bill's court termination of an extended duty and failure to enroll provisions will create additional work for county criminal justice systems. Any associated cost will be a function of the numbers of motions to terminate after ten years of enrollment and violations of enrollment duties.

## **Detailed Fiscal Analysis**

The bill requires the Office of the Attorney General's Bureau of Criminal Identification and Investigation (BCII) to establish and maintain a database of violent offenders and qualifying out-of-state violent offenders. Any individual convicted of, or pleading guilty to, aggravated murder, murder, voluntary manslaughter, kidnapping, or abduction when it is a second degree felony, or any attempt or conspiracy to commit such an offense is required to enroll annually in person with the sheriff of the county in which the offender resides. This requirement also applies to such offenders that, on the bill's effective date, are serving a term of confinement for the offense.

Based on recent time served data, the number of these offenders released from prison is approximately 300 each year. Juvenile offenders are exempt from the enrollment requirements.

### **State fiscal effects**

#### **Attorney General**

The Office of the Attorney General will experience some initial one-time costs to design and build the database and to design the forms that will be used by the appropriate state or local authority to inform violent and qualifying out-of-state violent offenders of their enrollment duties. If the Attorney General is able to incorporate the database into the existing sex offender and arson registries, then the one-time cost is likely to be approximately \$50,000. Administration of the database would likely be assigned to Watch Systems, the vendor that currently contracts with the Attorney General to operate the sex offender and arson registries. There may be an additional annual cost to incorporate that duty into the existing contract.

The Attorney General is also required to adopt procedures for sheriffs to use to forward identification records including specified information, photographs, fingerprints, palm prints, and other materials to BCII. This requirement creates a one-time administrative cost that can be absorbed with existing appropriated resources.

#### **Department of Rehabilitation and Correction**

##### **Penalty for failure to enroll or re-enroll**

The bill creates a felony of the fifth degree for failing to enroll, re-enroll, or notify the sheriff of a change of address. A conviction or guilty plea could result in a definite prison term of 6, 7, 8, 9, 10, 11, or 12 months, a fine of not more than \$2,500, or both.

Since this is a new offense, predicting the number of violations for failing to enroll is problematic. There will likely be some number of violations annually and of that number, some of those violators may be sentenced to prison. Relative to the size of prison population (close to 50,000) and the number of offenders sentenced to prison (around 20,000 per year), the number sentenced to prison for violation of an enrollment requirement will be relatively small and the associated incarceration costs minimal; however, costs may increase over time as more offenders are added to the database

each year and the probability of more violations likely rises. The average annual cost for the Department of Rehabilitation and Correction (DRC) to incarcerate an offender in an Ohio prison was \$28,641 as of November 2018, with the marginal cost around \$3,500 per inmate.

The state may gain a minimal at most amount of revenue annually in the form of court costs collected from offenders who violate their enrollment duties. The court costs are forwarded for crediting to the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020). In the case of a felony, the court is generally required to impose state court costs totaling \$60 for a felony, divided as follows: \$30 to Fund 5DY0 and \$30 to Fund 4020.

#### **Ex-Offender Re-entry Coalition**

The bill expands the membership of the Ex-Offender Re-entry Coalition from 17 to 21 members and modifies its duties. Under current law, the Coalition is to be abolished on December 31, 2019. The bill repeals this sunset. DRC expects to absorb any of the costs associated with these modifications with no discernible effect on its annual operating expenses.

#### **Risk assessment tool**

The bill's requirement that halfway houses use the single validated risk assessment tool for adult offenders that DRC has selected will have no direct fiscal effect on the state or any of its political subdivisions.

### **Local fiscal effects**

#### **Enrollment by offenders**

##### **Courts of common pleas**

The bill establishes: (1) a presumption that violent offenders will enroll in the database for ten years after initial enrollment, and (2) procedures for rebutting the presumption to potentially avoid the duty. If an offender proves by a preponderance of evidence that they were not the principal offender in the commission of the offense that classifies them as a violent offender, the presumption is rebutted. This would require the sentencing court to continue the hearing to determine whether the offender should be required to enroll in the database.

As a result of these provisions, courts of common pleas may experience a slight increase in caseloads, as some offenders may file a motion to rebut the presumption. In addition, courts will incur additional administrative costs associated with notifying offenders of the presumption, and of the right, procedure, and criteria for rebutting the presumption. The overall increase in operating expenditures for any given court of common pleas can be expected to be minimal at most.

##### **County sheriffs**

After an offender enrolls or re-enrolls in the database, the sheriff or their designee forwards the offender's signed, written enrollment form, photograph,

fingerprints, palm prints, and other materials to BCII. At the outset, it appears that county sheriffs generally will not incur significant costs to incorporate this duty to enroll into their existing sex offender and arson registry responsibilities. It is unclear as to whether this duty will become more fiscally problematic as the size of the registry will grow each year.

### **Extension and termination of extended duty motions**

The bill specifies circumstances under which an offender's enrollment period would be extended. A court extension will be imposed, upon a motion made by the prosecutor, if the court finds that the offender has violated a term or condition of their sanction or has been convicted of or pleads guilty to an offense of violence during the ten-year enrollment period. As a result, the offender's enrollment duties will continue indefinitely. Under the bill, an offender may file a termination motion, not more than once every five years during the extended period, to terminate their duties.

Courts of common pleas will have notification requirements, in addition to other responsibilities, related to a court extension or termination of an extended duty. Additional work will also be created: (1) for county prosecutors that receive a copy of the offender's termination motion and are permitted to file an objection, and (2) for the court's probation department or other appropriate agency that will be required to investigate the merits of a termination motion. The work for these county entities (courts of common pleas, prosecutors, and probation departments) will not begin until ten years after the bill's effective date. The number of termination motions filed at that time and annually thereafter depends on the number of offenders subject to an extended enrollment period. The associated annual costs for any given county criminal justice system to dispose of these motion are uncertain.

### **Violations of enrollment requirements**

There will be violations of the bill's duty to enroll, which creates felony cases requiring disposition by a county criminal justice system. As a result, counties are likely to experience an increase in their annual criminal justice system expenditures related to investigating, adjudicating, prosecuting, defending (if indigent), and sanctioning offenders who commit this offense. That annual increase will depend upon the number of offenders prosecuted for a violation of their enrollment duty. Some of that cost may be offset to some degree by money collected from violators (fines, court costs, and fees).

## Appendix

### All House Bills Enacted in 2018

House Bill	LIS Required?	Subject
<b>1</b>	No	Authorizes dating violence protection orders
<b>7</b>	No	Revises the law regarding health care immunities and Medical Malpractice Law
<b>8</b>	No	Prohibits disclosing injuries to minors in school vehicles
<b>18</b>	No	Eliminates certain elections to fill Congressional vacancies
<b>21</b>	No	Requires community school enrollment verification and makes other education-related changes
<b>24</b>	No	Expands certain property tax exemptions, clarifies motor fuel tax laws, modifies Medicaid payment rates for intermediate care facilities and declares an emergency
<b>34</b>	No	Authorizes delivery of certain notices by ordinary mail and internet instead of certified mail
<b>38</b>	No	Increases the penalty for murder of a first responder or military member
<b>41</b>	No	Modifies in-person absent voting procedures and makes other election-related changes
<b>44</b>	No	Designates May 24 as “First Responders’ Appreciation Day”
<b>45</b>	No	Designates May as “Neurofibromatosis Awareness Month”
<b>52</b>	No	Regulates the solicitation of real property deeds
<b>58</b>	No	Requires instruction in cursive handwriting
<b>66</b>	No	Establishes the Undergraduate Mission Study Committee, the subcommittee of the Educator Standards Board, and modifies the requirements for notification to parents for absent students
<b>79</b>	No	Authorizes tactical medical professionals to carry firearms while on duty
<b>87</b>	No	Requires money to be returned to the state from community school enrollment audits and revises various community school provisions
<b>92</b>	Yes	Modifies the penalty for public indecency to require offenders to register as a Tier 1 offender in certain circumstances
<b>95</b>	No	Modifies the penalties for distracted driving offenses
<b>96</b>	No	Enhances the penalties for sexual imposition and disorderly conduct
<b>98</b>	No	Makes payments to certain school districts with nuclear power plants in their territories, revises provisions related to career-technical educator licenses, and modifies the calculation of Ohio College Opportunity Grant awards
<b>101</b>	No	Grants pharmacists authority to substitute and administer epinephrine autoinjectors to certain individuals and modifies opioid treatment facility regulations
<b>111</b>	No	Authorizes a clinical nurse practitioner to compel mental health evaluations and makes other various changes to health care laws

House Bill	LIS Required?	Subject
115	No	Establishes a communication disability database for law enforcement
119	Yes	Modifies eligibility and benefits for SNAP and Medicaid
122	No	Creates the Regional Economic Development Alliance Study Committee and makes other changes
123	No	Modify short-term, small, and mortgage loan laws
131	No	Revises physical therapy laws
133	Yes	Exempts out-of-state disaster relief businesses and employees from certain taxes and laws
137	No	Adds peace officers to mandatory reporters of child abuse and neglect
139	No	Eliminates public records exemptions if the record is 100 years old
145	No	Establishes the “One-Bite Program,” standardizes procedures for board consolidations, and requires General Assembly authority before long-term care services are further included in Medicaid
156	No	Modifies limitations imposed by health insurers on vision care services
158	Yes	Extends unemployment insurance eligibility for spouses of military members who are transferred
159	No	Designates May as “Drive Ohio Byways Month” and increases the required contribution for Fraternal Order of Police license plates
165	No	Designates June as “Congenital Cytomegalovirus Awareness Month”
168	No	Modifies the Cemetery Law, establishes the Cemetery Grant Program, and makes other changes
194	No	Establishes special license plates recognizing military service and honors
195	No	Modifies the law regarding transport of people requiring mobility aid
202	No	Designates the first Saturday in May as “Veterans Suicide Awareness Day”
213	No	Modifies the Appraisal Management Law
225	No	Modifies requirements concerning orphaned or abandoned wells
228	No	Modifies the law regarding the affirmative defense of self-defense with respect to handguns
229	No	Designates February 3 as “Charles Follis Day”
250	No	Establishes laws governing electric bicycles
251	No	Authorizes certain political subdivision moneys to be invested in bonds and obligations with maturities of up to ten years
252	No	Designates January as “Blood Donor Awareness Month”
254	No	Requires the POW/MIA flag to be displayed at certain state buildings on designated days
258*	Yes	Prohibits an abortion if a detectable fetal heartbeat exists
263	No	Permits dogs in outdoor dining areas

House Bill	LIS Required?	Subject
271	No	Allows for a notice of an alleged accessibility law violation
286	Yes	Establishes the Palliative Care and Quality of Life Interdisciplinary Council and makes other changes to the Palliative Care Law
291	No	Allows certain political subdivisions to purchase employee dishonesty and faithful performance of duty insurance policies rather than surety bonds
292	No	Modifies the income tax residency test, makes other various changes to tax laws, makes various changes to state programs and appropriations, and declares an emergency
300	No	Revises the expiration of state identification cards for residents with certain disabilities
312	No	Makes changes regarding the use of credit and debit cards by political subdivisions, abates property taxes for certain properties subject to a submerged land lease, and makes other changes
315	No	Designates October 6 as “S.M.A.R.T. Parent Day”
318	No	Modifies school safety and student disciplinary procedures
329	No	Modifies the law governing pyramid and promotional schemes
332	No	Modifies the law pertaining to anatomical gifts, transplantation, and discrimination on the basis of a disability
336	No	Establishes a driver’s license reinstatement fee amnesty program
338	No	Makes changes to procedures pertaining to school bus driver medical examinations
341	No	Exempts personal information of judges and magistrates from disclosure under the Public Records Law
347	No	Designates various memorial highways
353	No	Excludes certain prepaid cards and rewards from the Unclaimed Funds Law
354	No	Authorizes the Tiffin-Fostoria Municipal Court and Seneca County Court of Common Pleas concurrent jurisdiction in drug abuse-related cases
362	No	Revises the law governing the State Highway Patrol Retirement System
366	No	Modifies the laws governing child support
402	No	Revises telephone company regulations
405	No	Makes counterfeiting a corrupt activity crime and makes other changes to the counterfeiting law
411	No	Makes changes to the law governing recovery for wrongful imprisonment
414	No	Designates July 16 as “National Atomic Veterans Day”
420	No	Designates November as Ohio Adoption Awareness Month and makes changes to occupational licensing and criminal records checks
422	No	Makes changes governing purchases by a large water-works or sewage disposal system company



House Bill	LIS Required?	Subject
<b>425</b>	Yes	Establishes a Public Records Law exemption for restricted portions of peace officer recordings
<b>430</b>	Yes	Expands the sales tax exemption for certain aspects of oil and gas production and extension of a moratorium on licensing fireworks manufacturers and wholesalers
<b>438</b>	No	Makes changes to educational service center governing boards and local professional development committees and the administration of Community School Classroom Facilities Grants Program
<b>454</b>	Yes	Applies a method to compensate owners for certain older and unused cemetery lots or rights
<b>464</b>	No	Provides for recognition of stroke centers and the establishment of protocols for assessment, treatment, and transport to hospitals of stroke patients
<b>477</b>	No	Makes changes pertaining to employment of paraprofessionals in schools and the elimination of various obsolete, expired, or inactive education provisions
<b>478</b>	No	Revises regulations for wireless service and the placement of small cell wireless facilities in the public way
<b>480</b>	No	Establishes requirements for multi-parcel auctions and makes changes affecting foreclosure auctions
<b>489</b>	Yes	Revises the laws governing state banks and credit unions and makes other changes
<b>491</b>	No	Modifies various laws related to primary and secondary education
<b>494</b>	No	Specifies that a franchisor is not the employer of a franchisee or a franchisee's employees for certain social insurance programs and makes other changes
<b>497</b>	Yes	Establishes penalties for nonconsensual dissemination of private sexual images
<b>500</b>	No	Makes various changes regarding township laws
<b>502</b>	No	Modifies in-service training on youth suicide awareness and prevention in public schools
<b>506</b>	No	Revises the law governing high volume dog breeders
<b>511</b>	No	Revises the age at which persons may marry
<b>522</b>	No	Allows outdoor refreshment areas to include F permit holders and makes other changes
<b>529**</b>	No	Makes capital appropriations and reappropriations
<b>531</b>	No	Makes changes to the Sporting Event Grant Program and funds the program through the Sports Event Grant Fund
<b>541</b>	No	Authorizes out-of-state health professionals to provide volunteer health services during charitable events
<b>572</b>	No	Revises the laws governing the Public Employees Retirement System, the Ohio Police and Fire Pension Fund, the State Teachers Retirement System, and the School Employees Retirement System
<b>595</b>	No	Modifies probate law related to trusts, wills, medical records, and guardianship services

\*Vetoed by Governor

\*\*Not required for budget bills

## All Senate Bills Enacted in 2018

Senate Bill	LIS Required?	Subject
<b>1</b>	No	Revises fentanyl-related drug penalties
<b>4</b>	No	Revises procedures related to human trafficking victim records expungement and sealing
<b>20</b>	No	Establishes a mandatory additional prison term for felonious assault where the victim under age ten suffered permanent disabling harm
<b>22</b>	No	Incorporates changes to federal adjusted gross income into Ohio law and declares an emergency
<b>51</b>	No	Adjusts various operating and capital appropriations, modifies tax law, and makes other changes
<b>66</b>	Yes	Makes changes to criminal sentencing, corrections, conviction record sealing, and land conveyances
<b>70</b>	No	Amends child support laws
<b>81</b>	Yes	Allows concealed handgun license fee waivers for specified military personnel
<b>86</b>	No	Creates various license plates, designates memorial highways, and makes other official recognitions
<b>119</b>	No	Revises laws pertaining to opioid prescription tracking and reporting, and naltrexone and medication-assisted treatment
<b>127</b>	No	Amends the Move-Over Law with respect to waste collection vehicles
<b>135</b>	No	Implements the Voting Machine Acquisition Program
<b>139</b>	No	Adopts the Uniform Electronic Legal Material Act
<b>143</b>	No	Designates September 25 as “International Ataxia Awareness Day”
<b>144</b>	No	Creates the 15-member Opportunities for Ohioans with Disabilities Council
<b>145</b>	No	Prohibits dismemberment abortions
<b>158</b>	No	Increases the penalties for elder fraud and financial exploitation
<b>163</b>	No	Modifies the qualifications regarding notes eligible for investment of county inactive moneys
<b>170</b>	No	Establishes a pilot program waiving commercial driver’s license skills tests for military personnel and universal validation stickers for passenger vehicle fleets
<b>201</b>	No	Enacts the “Regan Tokes Act” pertaining to indefinite prison terms
<b>214</b>	No	Exempts certain depictions of victims of crime from Public Records Law and prohibits female genital mutilation
<b>216</b>	No	Modifies various laws related to primary and secondary education
<b>220</b>	No	Provides legal safe harbor to covered entities with specified cybersecurity programs
<b>221</b>	No	Revises rulemaking and rule review procedures
<b>223</b>	No	Prohibits the installation of unsafe used tires

Senate Bill	LIS Required?	Subject
226	Yes	Establishes a permanent three-day sales tax holiday, modifies the permitted purposes for certain property tax levies, and declares an emergency
229	No	Modifies the Controlled Substance Schedule Law and the Board of Pharmacy's rulemaking authority
231	Yes	Requires the creation of a violent offender database
239	No	Modifies the regional councils of government law, and designates various memorial highways
255	No	Establishes a statewide policy on occupational regulation of individuals and establishes the Home Inspector Law
257	No	Creates multi-year and lifetime hunting and fishing licenses and makes other changes to the law governing hunting and fishing
259	No	Revises the law regulating physician assistant practice and teledentistry
263	No	Enacts the Notary Public Modernization Act
265	No	Permits certain health insurers to provide payment or reimbursement for services provided by a pharmacist, allows the Medicaid Program to cover certain health care services provided by a pharmacist, and adopts requirements related to step therapy protocols
273	No	Defines "insurance rating agency," establishes standards for data security and for the investigation of and notification to the Superintendent of Insurance of a cybersecurity event, and makes other changes
296	No	Revises the payments that surviving family members receive from the Ohio Public Safety Officers Death Benefit Fund, provides for raises for elected officials, and declares an emergency
299	No	Increases appropriations for the protection and preservation of Lake Erie and its tributaries and makes appropriation adjustments for other various programs