

Taxation

Sub. H.B. 24

Reps. Ginter, Schaffer, Rogers, Cera, Green, Hambley, Retherford, Anielski, Antani, Antonio, Arndt, Ashford, Barnes, Boccieri, Boggs, Boyd, Brown, Butler, Carfagna, Celebrezze, Clyde, Craig, Cupp, Edwards, Faber, Fedor, Galonski, Gavarone, Goodman, Greenspan, Hagan, Henne, Hill, Holmes, Householder, Howse, Huffman, Hughes, Ingram, T. Johnson, Keller, Kent, Kick, Landis, Lanese, Lang, LaTourette, Leland, Lepore-Hagan, Lipps, Manning, McColley, Miller, O'Brien, Patmon, Patterson, Patton, Pelanda, Perales, Ramos, Reece, Reineke, Rezabek, Riedel, Roegner, Romanchuk, Schuring, Sheehy, Sprague, Stein, Strahorn, Sweeney, Thompson, West, Young

Sens. Terhar, Beagle, Hackett, Peterson, Wilson, Bacon, Balderson, Coley, Dolan, Eklund, Gardner, Hoagland, Hottinger, Huffman, Kunze, LaRose, Lehner, Manning, Oelslager, Thomas, Uecker

Effective date: Emergency: March 30, 2018; sections related to ICF Medicaid rates effective July 1, 2018

Taxation

- Modifies the veterans' organization property tax exemption to include the property of certain 501(c)(4) veterans' organizations.
- Excludes from that exemption property that is not used primarily for meetings, administration, and providing programs and services to veterans.
- Authorizes a property tax exemption for property owned by certain nonprofit organizations that provide housing for individuals with developmental disabilities.
- Enumerates several purposes for which a school district may use revenue from a school safety and security tax levy.
- Codifies an income tax deduction for eligible subsidized health insurance premiums.
- Modifies the law requiring dealers in aviation fuel to register and file monthly reports with the Department of Taxation.
- Makes corrective changes to the Motor Fuel Tax Law.

Medicaid formula for ICF services

- Establishes a new formula to determine Medicaid rates for services provided by intermediate care facilities for individuals with intellectual disabilities (ICFs).
- Until July 1, 2021, requires an ICF to be paid the greater of the rates determined under the new formula or, with a few modifications, the old formula.
- Beginning July 1, 2021, requires ICFs to be paid under the new formula.
- Places ICFs into five (instead of three) peer groups for determining rates under the new formula.

- Provides for the new formula to have the same four cost centers as the old formula: capital, direct care, indirect care, and other protected costs.
- Until July 1, 2020, includes in the new formula a direct support personnel payment equal to 3.04% of the ICF's direct care costs.
- Beginning July 1, 2020, includes in the new formula a quality incentive payment based on 13 quality indicators.
- Prescribes the capital component of the new formula as the sum of its nonextensive renovation rate and the lesser of (1) the sum of its fair rental value rate, equipment rate, and secondary building rate and (2) a limit to be determined for this part of the capital component.
- Requires the direct care costs component of the new formula to be determined using cost per case-mix units and case-mix scores and adjusted by an estimated inflation rate.
- Requires an ICF's quarterly case-mix score to be determined using the most recent resident assessment data compiled and revised for its residents and the case-mix scores of its residents.
- Requires the Ohio Department of Developmental Disabilities (ODODD) to perform the initial assessment of an ICF resident as part of the process of determining case-mix scores, and permits it to perform subsequent assessments under certain circumstances.
- Requires an ICF to submit to ODODD, not later than 15 days after each calendar quarter, revised assessment data for each resident for whom there are changes in assessment data and an attestation for each resident for whom there are no changes.
- Permits the resident assessment instrument used in determining residents' case-mix scores under the new formula to be different from the instrument used under the old formula.
- Requires ODODD to establish six acuity groups for assigning case-mix scores to ICF residents.
- Permits an ICF, if it submits revised assessment data for a resident that results in at least a 15% increase in its case-mix score, to request ODODD, through a rate reconsideration process, to increase its rate for the direct care costs component.
- Limits an ICF's rate for the indirect care costs under the new formula to the lesser of its individual rate and the maximum rate for its peer group.
- Provides for an ICF's rate for the other protected costs under the new formula to be its other protected costs, adjusted for inflation.

- Permits ODODD to establish a pilot program that (1) requires ICFs to submit data regarding their ability to meet proposed quality indicators during the last six months of calendar year 2018 and (2) provides an incentive payment for ICFs that submit the data during FY 2020.
- Provides that the following does not apply to the new formula: a requirement that costs limits for administrators of four or more ICFs equal the limits for administrators of ICFs with 150 or more beds.
- Eliminates a requirement that ODODD adjust the rates under the new formula for ICF services provided during FY 2019 if the mean rate differs from a target amount or the federal government requires that a franchise permit fee imposed on ICFs be reduced or eliminated.
- Revises the method by which a new ICF's rate is to be determined.
- Permits an ICF, if it disagrees with a revised case-mix score resulting from an exception review conducted under the old formula, to request ODODD to reconsider the revision; and requires ODODD, if it reconsiders the revision and further revises the case-mix score, to use the further revised score.
- Eliminates a cap on the rate for services that certain ICFs provide to Medicaid recipients who are admitted on or after July 1, 2015, and placed in the chronic behaviors and typical adaptive needs classification or the typical adaptive needs and nonsignificant behaviors classification.
- Requires ODODD, when determining rates under the old formula for FYs 2020 and 2021, to make the same modifications and adjustments that continuing law requires be made in determining rates for FY 2019.
- Eliminates a requirement that ODODD reduce the FY 2019 rate determined under the old formula if the federal government requires that a franchise permit fee imposed on ICFs be reduced or eliminated.

Medical school partnership

- Permits the Ohio University Heritage College of Osteopathic Medicine to join the partnership between the Northeast Ohio Medical University and Cleveland State University.

Ohio State University land conveyance

- Authorizes the conveyance of real estate located in Franklin County via purchase agreement to the City of Columbus or another purchaser.

Appropriation

- Makes a capital appropriation of \$750,000 for the Boys and Girls Club of Newark for the biennium ending June 30, 2020.

Sub. H.B. 292

(For details of the act's fiscal provisions, see the [LSC Fiscal Note and Local Impact Statement](#))

Reps. Scherer, Hambley, Retherford, Anielski, Antani, Brown, Faber, Galonski, Ginter, Goodman, Greenspan, Henne, Householder, Hughes, Lang, Patton, Reineke, Riedel, Roegner, Rogers, Ryan, Schaffer, Seitz, R. Smith, Sprague, Sweeney, Thompson

Sens. Eklund, Beagle, Peterson, O'Brien, Burke, Gardner, Hackett, Hoagland, Hottinger, Huffman, Oelslager, Tavares, Terhar, Thomas

Effective date: September 13, 2018; Emergency, Section 12 (referendum for 2018 village ordinances) and operating appropriations effective June 14, 2018

Taxation

- Specifies that an individual cannot be presumed to be an Ohio resident for income tax purposes unless the individual has an Ohio abode for at least a portion of the taxable year.
- Extends the deadline for filing a statement affirming out-of-state residency to the 15th day of the tenth month following the end of the taxable year.
- Adds several objective criteria for establishing the presumption that an individual is not an Ohio resident for income tax purposes.
- Limits the factors that may be used by the Tax Commissioner to rebut the presumption that a taxpayer is not an Ohio resident.
- Specifies that the changes to the state's residency test apply to taxable years beginning in 2018 or thereafter.
- Authorizes the appeal of a decision of the Board of Tax Appeals (BTA) directly to the Supreme Court if the decision involves a final determination of the Tax Commissioner or a municipal income tax review board.
- Modifies the deadline by which manufactured and mobile homeowners may apply for the homestead exemption, from December 31 of the year for which the exemption is sought, to December 31 of the year before the year for which the exemption is sought.
- Requires a county in which current or certain former Olympic training facilities are located to enter into an agreement to provide a property tax exemption for those facilities in exchange for service payments.

- Increases the maximum term of a delinquent tax contract for such a facility.

State employee compensation

- Increases pay for exempt state employees paid in accordance with salary schedules E-1 and E-2.
- Authorizes each state appointing authority to make expenditures from current state operating appropriations to provide for compensation increases.
- Authorizes the Director of Budget and Management to increase expenditures from the GRF and non-GRF appropriation items as the Director determines necessary to effectuate changes to compensation, and makes an appropriation.
- Allows certain state employees who work 30 or more hours a week to take up to six continuous weeks of paid parental leave at the birth of a child if the employee is listed as a parent on the child's birth certificate, instead of if the employee is the biological parent.
- Permits certain state employees to begin using vacation leave when the leave appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.
- Prohibits certain state employees who separate from state employment with less than 12 months of total state service from being compensated for unused accrued vacation leave.
- Beginning in December 2019, requires the Director of Administrative Services to allow certain full-time or part-time state employees who are credited with at least 200 hours of unused accrued vacation leave annually to convert up to 40 hours of that leave to cash.
- Permits the Department of Administrative Services (DAS) to use the State Employee Health Benefit Fund to pay the cost or premiums of a contract with a health insuring corporation to provide a state employee with coverage for the employee's health care services.
- Eliminates a prohibition against DAS contracting with a health insuring corporation when the state's cost to cover an employee would be greater than the cost under a contract that was selected in consultation with the Superintendent of Insurance and in accordance with competitive bidding requirements.
- During FY 2019, allows the DAS Director to request a transfer of cash from the Accrued Leave Liability Fund to the State Employee Health Benefit Fund to pay for voluntary health plans offered to state employees who elect to enroll in a qualifying high deductible plan.

Other provisions

- Expands the circumstances in which a workers' compensation claim based on a motor vehicle accident involving a third party may be charged to the Surplus Fund Account in lieu of to an employer's experience.
- Changes the funding source of the Brownfields Revolving Loan Fund so that it consists of repayments of loans made for brownfield revitalization purposes, any other money transferred to it, and investment earnings, rather than consisting of transfers to the Fund made by the U.S. EPA under federal law.
- Authorizes, rather than requires as in prior law, the Director of Development Services to both:
 - Make grants and loans from the Brownfields Revolving Loan Fund; and
 - Establish a schedule of fees and charges payable by loan recipients.
- Modifies the content requirements for the semiannual fund reports the Director of Budget and Management must furnish to the General Assembly.
- Increases the public library facility borrowing limit as a percentage of Public Library Fund receipts from 30% to 40%, and lengthens the maximum repayment period from 25 to 40 years.
- Provides special passage and referendum procedures for a 2018 village ordinance that accommodates a new use of real property and is determined likely to bring at least 500 new jobs and at least \$50 million in investment to the village.
- Adjusts capital appropriations and reappropriations for the biennium ending June 30, 2020, clarifies the authorized use of certain capital earmarks, and makes other appropriations.

Sub. H.B. 430

Reps. Schaffer, Faber, Antani, Brenner, Ginter, Green, Greenspan, Hagan, Hambley, Hill, T. Johnson, Landis, Lang, Merrin, Pelanda, Perales, Reineke, Roegner, Rogers, Romanchuk, Ryan, Schuring, Slaby, R. Smith, Sprague, Thompson, Wiggam, Young

Sens. Hackett, Beagle, Eklund, Balderson, Burke, Coley, Gardner, Hoagland, Hottinger, Huffman, LaRose, Lehner, McColley, O'Brien, Oelslager, Peterson, Terhar, Thomas

Effective date: September 13, 2018

- Modifies the statutory language that governs the sales and use tax exemption for property used in producing oil and natural gas.

- Specifies that property approved by the Department of Natural Resources as part of a water pollution control facility qualifies for property tax and sales and use tax exemptions available under continuing law.
- Extends to December 31, 2019, the moratorium on issuing fireworks manufacturer and wholesaler licenses and approving their geographic transfer.

Sub. S.B. 22

Sens. Peterson, Beagle, Wilson, Balderson, Dolan, Eklund, Gardner, Hackett, Hite, Hoagland, Huffman, Jordan, LaRose, Manning, Obhof, Oelslager, Schiavoni, Tavares, Terhar, Thomas, Uecker

Reps. Schaffer, Scherer, Rogers, Henne, Retherford, Anielski, Antani, Antonio, Barnes, Brenner, Carfagna, Craig, Dever, Faber, Ginter, Gonzales, Green, Hambley, Hoops, Hughes, Lang, McClain, Miller, Patmon, Patton, Perales, Reineke, Rezabek, Romanchuk, Ryan, Seitz, Sheehy, Slaby, R. Smith, Sprague, Stein, Sweeney, Thompson, West, Wiggam

Effective date: Emergency: March 30, 2018

- Incorporates into Ohio income tax law changes to federal tax law taking effect since March 30, 2017, including the "Tax Cuts and Jobs Act" and "Bipartisan Budget Act of 2018."
- Expands Ohio's 529 education savings plan so that, as recently authorized in federal law, all contributions are tax-deductible and earnings are tax-exempt even if the account is used to pay K-12 education expenses.

Sub. S.B. 226

Sens. Bacon, Eklund, LaRose, Yuko, Oelslager, Manning, Hottinger, Lehner, Terhar, Beagle, Hackett, Wilson, Balderson, Brown, Burke, Dolan, Gardner, Hoagland, Huffman, Kunze, Obhof, O'Brien, Peterson, Schiavoni, Sykes, Tavares, Thomas, Uecker, Williams

Reps. Schaffer, Rogers, Anielski, Cera, Hambley, Patmon, Retherford, Antani, Antonio, Arndt, Ashford, Boggs, Brenner, Brown, Carfagna, Celebrezze, Clyde, Craig, Edwards, Faber, Galonski, Gavarone, Green, Greenspan, Hagan, Holmes, Hood, Hoops, Hughes, Koehler, Landis, LaTourette, Leland, Lepore-Hagan, Lipps, Manning, Merrin, Miller, O'Brien, Patterson, Patton, Pelanda, Reineke, Rezabek, Riedel, Roegner, Romanchuk, Schuring, Slaby, K. Smith, R. Smith, Stein, Thompson, Wiggam, Young

Effective date: Emergency, March 30, 2018

- Exempts sales of clothing and school supplies and instructional materials from sales and use taxation during a three-day period in August of each year.
- Specifically authorizes a county school financing district property tax for school safety, security, and mental health services.