



# Mid-Ohio Regional Planning Commission

## Monthly Legislative Update

DECEMBER 2016

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### Table of Contents

Top Advocacy Items . . . . .	2-3
Top News . . . . .	4-7
MORPC Legislative Tracking . . . . .	7-8



Mid-Ohio Regional  
Planning Commission





## TOP ADVOCACY ITEMS

<i>Priority</i>	<i>Status</i>
<p><b>Promote Energy Efficiency and an Abundant Supply of Safe, Reliable, and Affordable Sources of Energy for our Growing Region.</b></p>	<p>Consistent with MORPC’s position on energy efficiency, MORPC is supporting the continuation of the energy efficiency programs through the Public Utility Commission of Ohio (PUCO) regulatory process along with advocating for improvements that may increase the participation of residential and business customers. Further, MORPC is working with the utilities to establish and advance a local government energy partnership program that involves energy benchmarking, energy audits, community education, and challenge programs and competitions. The intent is to deliver energy services to local governments that help communities meet sustainable energy goals, achieve energy savings and increase participation by community members.</p> <p>In response to a report of the state’s Energy Mandates Study Committee, MORPC has taken the following positions:</p> <ul style="list-style-type: none"> <li>» MORPC opposes the indefinite freeze of the Ohio energy mandates.</li> <li>» MORPC supports a combination of incentives and mandates to help achieve the goals of increased energy efficiency and renewable energy for diversity in our energy mix, along with determining the best approach for maximizing the credit of advanced energy projects.</li> </ul> <p>These positions are being communicated to the Ohio General Assembly as applied to Senate Bill 320, Ohio Republican Senator Bill Seitz’s response to the Energy Mandate Study Committee and the recently introduced House Bill 554. MORPC has been included in interested parties meetings on this subject.</p> <p>Recently, the House passed the substitute version of HB 554, which included 3 years of targets for energy efficiency and renewable energy followed by mandates beginning in the year 2020.</p> <p>The leaders of MORPC’s Regional Policy Roundtable and Sustainability Advisory Committee convened a conference call where it was agreed that MORPC should take a neutral position on the new language, but make recommendations on how to improve it. A letter was transmitted to the General Assembly reflecting this position.</p>
<p><b>Highlight the Valuable Roles, Duties, and Rights of Local Governments</b></p>	<p>An amendment pushed by AT&amp;T would state that it is Ohio’s public policy to “expedite the installation and operation of micro wireless facilities in order to facilitate the deployment of advanced wireless service throughout the state.” Local officials were strongly opposed to the original proposal, saying it prevents cities and villages from having an adequate say on where these 5G antennas are installed. But changes were made that dealt with local control concerns, fee structures, and other issues.</p> <p>The measure was amended into Senate Bill 331, which would set state standards for where pet stores can buy dogs, preempting local ordinances. Also included in the bill was a measure prohibiting local jurisdictions from establishing a minimum wage different from the state minimum wage rate, among others.</p>



## TOP ADVOCACY ITEMS

<i>Priority</i>	<i>Status</i>
<b>Ensure the Ability of Local Governments to Use Economic Development Tools that are Beneficial to Their Communities</b>	<p>MORPC joined a coalition on opposition to SB 235 – a bill that would have compelled local governments to provide favorable tax treatment to property owners who claimed that they intended to develop property but whose pledges were not held accountable by local governments – to House leadership and our region’s General Assembly delegation. In these expressions of opposition, MORPC indicated that, while our organization welcomed the creation of new tools that can be used by our members’ economic development teams to incentivize the renovation or development of property, any new incentives that the General Assembly creates need to be subject to the scrutiny of local officials.</p> <p>A substitute version of SB 235 was rolled out with new language that would:</p> <ul style="list-style-type: none"><li>» Prohibit any requested freeze in the taxable value of property from occurring unless a local government approves it.</li><li>» Reduce the amount of time that the taxable value of property could be frozen from 10 years to 6 years.</li><li>» Create a “clawback” mechanism where owners of property who had committed to redevelop their property in exchange for having the taxable value of their property frozen, but did not follow through on their commitment, would be required to pay a penalty of back taxes.</li><li>» Upon review of SB 235, MORPC concluded that the new language in the legislation is significantly better than the version of the bill that was passed by the Senate.</li></ul> <p>SB 235 also became a “Christmas tree” bill, containing a host of other issues and measures.</p>
<b>Seek Federal Funding for Regional Projects</b>	<p>The U.S. Department of Transportation is accepting applications for up to \$850 million in Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grants. The FASTLANE program provides dedicated, discretionary funding for projects that address critical freight issues facing our nation’s highways and bridges.</p> <p>Applications are due December 15th.</p>



## TOP NEWS

### *Recent MORPC Legislative Testimony + Letters*

*(Available on the Government Affairs Section of [morpc.org](http://morpc.org))*

**December 6 – HB154 BICYCLE PASSING-TRAFFIC LIGHTS (Henne, Sheehy)** - To provide that when a motor vehicle passes a bicycle the safe passing distance to the left is three feet, and to alter the protocol for proceeding into an intersection that has malfunctioning traffic lights.

- » MORPC submitted written proponent testimony to the Senate Transportation Commerce and Labor.

**December 1 – HB554 RENEWABLE ENERGY REQUIREMENTS (Amstutz, R)** - To revise the requirements for renewable energy, energy efficiency savings, and peak demand reduction and to revise provisions governing which customers can opt out of related programs.

- » MORPC submitted a letter stating its position on the bill to the Central Ohio General Assembly Delegation.

**November 16 – SB235 INCREASED VALUE-PROPERTY TAX (Beagle, Coley)** - To exempt from property tax the increased value of property on which industrial or commercial development is planned until construction of new commercial or industrial facilities at the property commences.

- » MORPC submitted written opponent testimony to the House Finance Committee. For more information please see top advocacy item on SB235.

### *FY16-17 Budget*

Ohio's FY17 budget shortfall doubled over the last month, going from nearly \$72 million below estimates through September to \$160 million below estimates through October, according to preliminary figures released by the Office of Budget and Management (OBM). Fueling October's \$88.1 million shortfall was the sales tax, which was down nearly \$48.3 million from the estimates for the month. Specifically, the non-auto sales tax was down nearly \$42.9 million or 5.4 percent, while the auto sales tax was down nearly \$5.4 million or 4.7 percent.

### *Elections 2016*

There were no big surprises in races for the General Assembly, with Republicans picking up one seat in each house. Democrat Sen. Lou Gentile (Steubenville) lost his seat to Republican Frank Hoagland, and in the House, the open 94th House District seat currently held by Democrat Rep. Debbie Phillips (Albany) was won by Republican Jay Edwards. This will give the GOP a 66-to-33 majority in the Ohio House and a 24-to-9 majority in the Ohio Senate of the 132nd General Assembly.

Secretary of State Jon Husted certified the official results of the 2016 general election, saying the official turnout of the election was 71.33 percent. A total of 5,607,641 Ohioans cast ballots, out of 7,861,025 registered voters. The turnout percentage was higher than in 2008 and 2012, though more Ohioans cast ballots in those elections. There were fewer registered voters in 2016.

### *Employment/Unemployment*

In November, the unemployment rate decreased by 0.3 percentage point to 4.6 percent, and the number of unemployed persons declined by 387,000 to 7.4 million. Both measures had shown little movement, on net, from August 2015 through October 2016.





## TOP NEWS

### *Energy*

Senate members and opponents of alternative energy redo SB320 (Seitz) recycled many of the same arguments both for and against the resumption of state mandates on renewables and energy efficiency. Asked to restore portfolio standards and defer counter action for further debate, Chairman Troy Balderson (R-Zanesville) of the Senate Energy and Natural Resources Committee said three General Assemblies on the topic was enough. "With all due respect, we've been having this discussion for five years," he told one of more than 60 speakers on the bill, with only three identified as interested parties and the rest as opponents.

After six hours of testimony from more than 60 witnesses, a bill cleared House committee that could serve as a vehicle for the long-awaited follow-up to energy "freeze" 130-SB310 (Balderson) — current legislation that, according to House Speaker Pro Tem Ron Amstutz (R-Wooster), may well resolve Gov. John Kasich's concerns over a continued delay in energy efficiency and renewable energy standards. Daylong hearings on HB554 (Amstutz) in the House Public Utilities Committee followed equally lengthy remarks on SB320 (Seitz) in the Senate Energy and Natural Resources Committee, and by most of the same witnesses. The overwhelming majority in both cases opposed anything other than a reactivation of stalled energy standards enshrined in 127-SB221 (Schuler).

### *Federal*



President-elect Trump has announced his intention to appoint Elaine Chao as the next Secretary of Transportation. Chao has extensive executive experience, having served as Secretary of Labor for the entirety of the George W. Bush Administration and Deputy Secretary of Transportation under the George H.W. Bush Administration. It is expected that Chao shares Trump's vision about implementing a large infrastructure package. She has previously supported the use of tax incentives, public private partnerships, and other private funding incentives, which are expected to be a centerpiece of Trump's infrastructure policy. Chao faces Senate confirmation, but there is little reason to doubt she will once again be confirmed.

U.S. Rep. Steve Stivers (R-Columbus) was selected by his colleagues to chair the campaign arm of congressional Republicans. As head of the National Republican Congressional Committee (NRCC), Stivers will help recruit candidates for the U.S. House as well as help those candidates raise money and run their campaigns.

House leadership expect to release a proposed continuing resolution (CR) to keep the federal government running beyond the current Friday, December 9 deadline when the current bill expires. Appropriators have been working on a bill since the election, waiting for President-elect Trump to decide whether to pass separate funding bills and how long to extend current spending levels. Right now, we expect the bill will run through April or even into May so that more Trump Cabinet and sub-Cabinet appointees are in place.

### *General Assembly/Statehouse*

House Republicans announced the re-election of Rep. Cliff Rosenberger (R-Clarksville) as speaker for the 132nd General Assembly. Others elected to leadership positions include Rep. Kirk Schuring (R-Canton) as speaker pro tempore; Rep. Dorothy Pelanda (R-Marysville) as majority floor leader; Rep. Sarah LaTourette (R-Chesterland) as assistant majority floor leader; Rep.-elect Tom Patton (R-Strongsville) as majority whip; and Rep. Robert McColley (R-Napoleon) as assistant majority whip.



## TOP NEWS

Both Republicans and Democrats in the Legislature's upper chamber announced their leadership teams for the 132nd General Assembly. Republicans unanimously elected Sen. Larry Obhof (R-Medina) to serve as president of the Senate during the 2017-18 session. Joining him on the GOP leadership team will be Sen. Bob Peterson (R-Sabina) as president pro tempore, Sen. Randy Gardner (R-Bowling Green) as majority floor leader and Sen. Gayle Manning (R-North Ridgeville) as majority whip.

The Senate Democratic Caucus unanimously voted to re-elect Sen. Joe Schiavoni (D-Boardman) as minority leader, a position he has held since 2013. He is joined in leadership by Assistant Minority Leader Charleta Tavares (D-Columbus), Minority Whip Edna Brown (D-Toledo) and Assistant Minority Whip Cecil Thomas (D-Cincinnati).

House Democrats re-elected Rep. Fred Strahorn (D-Dayton) as House Minority Leader for the 132nd General Assembly. Strahorn will be joined on leadership by Assistant Democratic Leader Nicholas J. Celebrezze (D-Parma), Democratic Whip Nickie J. Antonio (D-Lakewood) and Assistant Democratic Whip Emilia Strong Sykes (D-Akron).

### ***Marijuana***

The Ohio Department of Commerce (DOC) posted a request for information (RFI) on the processing and testing of medical marijuana for Ohio's Medical Marijuana Control Program.

State officials and business representatives discussed issues related to medical marijuana rulemaking, with members of the Small Business Advisory Council (SBAC) raising concerns about pesticide use, banking, taxes and a potential pot crackdown imposed by President-elect Donald Trump.

### ***People***

Alison Goebel was recently named executive director of the Greater Ohio Policy Center (GOPC) after having served in an interim role for three months. She will oversee the GOPC's advocacy, research and outreach, according to the organization, and replaces Lavea Brachman, who co-founded and led the center for nearly 10 years.

The Ohio Environmental Council (OEC) said that its deputy director, Jack Shaner, will leave in January after 20 years. "Shaner has maintained a vigilant presence in the Ohio Statehouse as one of the most respected public interest advocates in the state," the council said in a statement that included praise for Shaner from two former governors.

### ***Taxation***

The Ohio Supreme Court ruled that the U.S. Constitution's commerce clause on interstate trade does not prevent the state of Ohio from imposing commercial activity tax (CAT) on out-of-state companies conducting online business with Ohioans. The Court said the volume of annual sales, rather than physical presence, determines whether the state may impose a "privilege to do business" tax such as the CAT.

### ***Transportation***

Regional efforts to develop a "Smart Mobility Corridor" in Central Ohio took another step forward with the announcement of state funding and testing of a self-driving semi-truck. Gov. John Kasich announced the state will invest \$15 million to install advanced highway technology along 35 miles of U.S. Route 33, and the truck used that route to travel from Dublin to East Liberty.



### TOP NEWS

#### Utilities

American Electric Power (AEP) of Ohio's wholesale energy costs will see a 3 percent increase in 2017 compared with auction results from this time last year. The Public Utilities Commission of Ohio (PUCO) approved AEP's Monday, Nov. 7, auction results for the service period June 1, 2017, to May 31, 2018. American Electric Power (AEP) of Ohio announced that it will seek a six-year extension of the scaled-down power purchase agreement (PPA) and renewable energy plan approved this month by the Public Utilities Commission of Ohio (PUCO).

A consortium of municipal electric companies says legislation planned for lame duck introduction would set off a "tectonic shift" in local control by moving regulatory authority over "small cell" wireless towers to the state capital. The chair of the committee that could hear the legislation says the goal instead is to put Ohio in the vanguard of industry investment and 5G technology. The Ohio Municipal Electric Association (OMEA) says the term small cell can be misleading, as aerial and ground-based equipment for the emerging technology can have a "substantial" impact on public rights of way, street signs, water towers and other structures where towers could be mounted.

### MORPC LEGISLATIVE TRACKING

- HB12** TIF-INCENTIVE DISTRICTS (BUTLER, JR. J, BURKLEY T) To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to provide notice to the record owner of each parcel within the proposed incentive district before creating the district, and to permit such owners, under specific conditions, to exclude their parcels from the incentive district by submitting a written response.  
**Current Status:** 11/30/2016 - Senate Ways and Means, (First Hearing)  
**Recent Status:** 9/28/2016 - Referred to Committee Senate Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-12>
- HB72** ENERGY IMPROVEMENT DISTRICTS (CONDITT M) To authorize port authorities to create energy special improvement districts for the purpose of developing and implementing plans for special energy improvement projects and to alter the law governing such districts that are governed by a nonprofit corporation.  
**Current Status:** 11/30/2016 - SUBSTITUTE BILL ACCEPTED, House Public Utilities, (Fifth Hearing)  
**Recent Status:** 5/6/2015 - BILL AMENDED, House Public Utilities, (Fourth Hearing)  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-72>
- HB154** BICYCLE PASSING-TRAFFIC LIGHTS (HENNE M, SHEEHY M) To provide that when a motor vehicle passes a bicycle the safe passing distance to the left is three feet, and to alter the protocol for proceeding into an intersection that has malfunctioning traffic lights.  
**Current Status:** 12/6/2016 - Senate Transportation, Commerce and Labor, (Second Hearing)  
**Recent Status:** 11/15/2016 - Senate Transportation, Commerce and Labor, (First Hearing)  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-154>
- HB347** CIVIL ASSET FORFEITURE (MCCOLLEY R, BRINKMAN T) To eliminate civil asset forfeiture proceedings and to modify the law governing criminal asset forfeitures.  
**Current Status:** 12/7/2016 - Senate Government Oversight and Reform, (Fifth Hearing)  
**Recent Status:** 12/6/2016 - Senate Government Oversight and Reform, (Fourth Hearing)  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-347>



## MORPC LEGISLATIVE TRACKING

- HB412** RACETRACK PAYMENTS-LOCAL GOVERNMENTS (ANIELSKI M, SCHURING K) To require certain payments made to local governments in which racetracks are located to be made proportionally.  
*Current Status:* 11/15/2016 - House Finance, (First Hearing)  
*Recent Status:* 1/20/2016 - Referred to Committee House Finance  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-412>
- HB492** CAPITAL IMPROVEMENT-PILOT (ROGERS J, DRIEHAUS D) To create the Supplemental State Capital Improvements Pilot Program funded by a temporary transfer from the Budget Stabilization Fund and to make an appropriation.  
*Current Status:* 11/16/2016 - House Finance, (First Hearing)  
*Recent Status:* 4/13/2016 - Referred to Committee House Finance  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-492>
- HB554** RENEWABLE ENERGY REQUIREMENTS (AMSTUTZ R) To revise the requirements for renewable energy, energy efficiency savings, and peak demand reduction and to revise provisions governing which customers can opt out of related programs.  
*Current Status:* 12/8/2016 - Senate Energy and Natural Resources, (Second Hearing)  
*Recent Status:* 12/7/2016 - Senate Energy and Natural Resources, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-554>
- SB185** SPECIAL IMPROVEMENT DISTRICTS (SEITZ B) To revise the law governing special improvement districts created for the purpose of developing and implementing plans for special energy improvement projects.  
*Current Status:* 5/25/2016 - REPORTED OUT AS AMENDED, Senate Energy and Natural Resources, (Fifth Hearing)  
*Recent Status:* 5/17/2016 - Senate Energy and Natural Resources, (Fifth Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-SB-185>
- SB235** INCREASED VALUE-PROPERTY TAX (BEAGLE B, COLEY W) To enact section 5709.45 of the Revised Code to exempt from property tax the increased value of property on which industrial or commercial development is planned until construction of new commercial or industrial facilities at the property commences.  
*Current Status:* 12/8/2016 - House Finance, (Seventh Hearing)  
*Recent Status:* 12/7/2016 - House Finance, (Sixth Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-SB-235>
- SB331** DOG SALE-PET RETAILER (PETERSON B) To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores.  
*Current Status:* 12/8/2016 - House Finance, (Fourth Hearing)  
*Recent Status:* 12/7/2016 - Bills for Third Consideration  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-SB-331>

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