

## Legislative Actions this Week:

**HB 153 Biennium Budget** - To make appropriations for FY 2012-2013.

The bill continued to have hearings before all the different Finance Subcommittees. The OTA testified on numerous provisions in the bill. **Please find our testimony attached.** Additionally, German Township Trustee and OTA President Greg Hanahan testified in support of the shared services language in the bill and Canton Township Trustee Christopher Nichols testified in opposition to the funding reductions.

[Testimony before the full House Finance Committee on local government issues will be Tuesday, April 12. The hearing will start at 1:00 pm and will be held in Room 313 of the Ohio Statehouse. If you are interested in testifying, please fill out the attached witness slip and e-mail it to Jessica.Crews@ohr.state.oh.us. You will need 75 copies of your testimony. The OTA will be testifying on the same issues raised in the Subcommittees this week.](#)

**HB 87 Water/Sewer Rates** (Goyal, J., Grossman, C.) To limit recovery of rate-case expenses for certain water-works and sewage disposal system companies. The bill had proponent and opponent testimony this week.

**SB 90 Estate Tax Repeal** - Repeals estate tax as of January 1, 2011.

Testimony continued on the bill. Several local government officials, including a township official, testified in opposition to the bill due to the fiscal impact it will have on communities. Numerous proponents, including township and municipal officials, testified in support of the bill.

The OTA met with Sponsor Jordan and Senator Widener this week on the bill and possible language to make the bill more palatable to townships. This included a proposal to raise the threshold and to phase out the tax over a period of five years, as opposed to straight elimination of the tax effective January 1, 2011. We committed to working with the Senators on this issue and will update you on any possible language changes.

**The bill is scheduled for a vote next week in the Senate Ways & Means & Economic Development Committee.** If you are interested in testifying on the bill, please let us know and we will assist you in any way we can. Additionally, we have heard rumors floating again about including the estate tax repeal language in the budget. Again, we will keep you posted!

## SIGNED BY GOVERNOR:

**SB 4 PERFORMANCE AUDITS** (Schaffer, T.) To require performance audits of most state agencies, to loan funds to state agencies and local public offices to pay for performance audits, and to make an appropriation.

*Effective April 5, 2011*

## POSSIBLE REFERENDUM OF SB 5:

As mentioned last week, SB 5 (Collective Bargaining Reform) was signed by the Governor and will be effective on July 1, 2011. There is an effort to referendum the bill. Should enough signatures be gathered and certified prior to July 1, SB 5 will not take effect. Instead, the measure will be to the voters of Ohio in November. We will keep you updated on all matters pertaining to this bill.

## ATTORNEY GENERAL'S OPINION:

No. 2011-009. Requested by Marion County Prosecuting Attorney Brent W. Yager. SYLLABUS:

1. Absent formal action consistent with statute to change a township's boundaries, a township may, pursuant to R.C. 5709.19, levy and collect property taxes on all property within the entire

territory of the township, including territory previously annexed to a municipal corporation pursuant to R.C. 709.023.

2. A subdivision may not maintain a cause of action for unjust enrichment against another subdivision if the basis of the claim is that the latter subdivision erroneously or improperly levied and collected a tax on property located within the territory of the former subdivision. However, a subdivision may maintain a cause of action for unjust enrichment against another subdivision if a tax was levied by or for the benefit of the former subdivision, but a portion of the tax proceeds were erroneously or improperly distributed to the latter subdivision. (1933 Op. Att'y Gen. No. 1856, vol. III, p. 1728, overruled in part.)

## **MEETINGS THIS WEEK:**

Tax Department / OBM - Overview of administration's budget

Rep. O'Brien - Meet and greet with new legislator

Rep. Henne - Meeting to discuss possible amendments to budget bill that would help townships

Auditor of State Yost - Meeting to discuss possible legislation to give townships tools that will assist in dealing with budget cuts.

## **OTHER ISSUES:**

### **Constitutional Review**

Speaker Bill Batchelder (R-Medina) introduced a measure Wednesday to begin the process of reviewing the Ohio Constitution for potential updates. The bill (HB 188) establishes the Ohio Constitutional Modernization Commission and makes an appropriation of \$750,000 to fund additional duties for the Legislative Service Commission.

The commission's review is designed to substitute for a Constitutional Convention. Under the state's constitution, voters are asked to weigh in every 20 years on whether a convention should be convened, and the next year for such a ballot issue is 2012.

Speaker Batchelder said his proposal is patterned after a panel created in the summer of 1969. Speaker Batchelder said the panel would include lawmakers and private citizens. He said he already has an appointee in mind: former Speaker Jo Ann Davidson.

## **Federal Update:**

### **Repeal of 1099 Tax Provision Heads to President for Signing**

The Senate passed legislation on Tuesday that would remove an unpopular tax reporting requirement from last year's health care overhaul law - a provision that even the White House agrees is burdensome to some small businesses. After the 87-12 vote, the White House said it was "pleased Congress has acted to correct a flaw" in the health care law and indicated President Obama would sign the bill (HR 4).

The 1099 provision requires businesses to report all purchases of \$600 or more to the Internal Revenue Service (IRS). Business groups, including the U.S. Chamber of Commerce and the National Federation of Independent Businesses, lobbied hard for a repeal, saying the provision would bury them in paperwork. Lawmakers and the White House eventually agreed the requirement should be eliminated.

The legislation would cover the \$22 billion cost of the 1099 repeal by requiring some people, if their income level increases during the year, to pay back a portion of the subsidies they receive to join health insurance exchanges created under the law.

## **ACTIONS NEXT WEEK:**

**Legislative Committee Schedules beginning 4/8/2011**

### **Tuesday, April 12**

**House Finance & Appropriations, (Chr. Amstutz, R., 466-1474), Rm. 313, 1 p.m.**

**HB 153 BIENNIAL BUDGET** (Amstutz, R.) To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs. (7th Hearing-**Public testimony on** DRC, DYS, Department of Commerce, **local governments and miscellaneous issues**)

**House Local Government**, (Chr. Blair, T., 466-6504), Rm. 121, 1:30 p.m.

**HB 158 AMATEUR ANTENNA** (Stebelton, G., Okey, M.) To codify federal restrictions on local zoning of amateur station antenna structures thereby preserving amateur radio service communications as a Homeland Security resource and to place the burden of proof for compliance on the zoning authority. (1st Hearing-Sponsor)

### **Wednesday, April 13**

**House Finance & Appropriations**, (Chr. Amstutz, R., 466-1474), Rm. 313, 9 a.m.

**HB 153 BIENNIAL BUDGET** (Amstutz, R.) To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs. (8th Hearing-Public testimony on primary and secondary and higher education issues)

**House Finance & Appropriations**, (Chr. Amstutz, R., 466-1474), Rm. 313, 6:30 p.m.

- Continuation of morning hearing (if needed)

**House Commerce & Labor**, (Chr. Uecker, J., 466-8134), Rm. 121, 7 p.m.

**HB 176 PUBLIC CONTRACTS** (Beck, P.) To limit the magnitude of change orders on public improvements required to be competitively bid. (1st Hearing-Sponsor)

### **Thursday, April 14**

**House Finance & Appropriations**, (Chr. Amstutz, R., 466-1474), Rm. 313, 9 a.m.

**HB 153 BIENNIAL BUDGET** (Amstutz, R.) To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs. (9th Hearing-Public testimony on health and human services issues)

**Senate Ways & Means & Economic Development, (Schaffer), N. Hearing Rm., 9 a.m.**

**SB 90 ESTATE TAX** (Jordan, K.) To repeal the estate tax for the estates of individuals dying on or after January 1, 2011. (**5th Hearing-All testimony-Possible amendments & vote**)

**House Finance & Appropriations**, (Chr. Amstutz, R., 466-1474), Rm. 313, 2 p.m.

- Continuation of morning meeting (if needed)

### **Friday, April 15**

**House Finance & Appropriations**, (Chr. Amstutz, R., 466-1474), Rm. 313, 9 a.m.

**HB 153 BIENNIAL BUDGET** (Amstutz, R.) To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs. (9th Hearing-Open public testimony)

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