

134th GENERAL ASSEMBLY – OHIO HOUSE OF REPRESENTATIVES PROPOSED & ENACTED LEGISLATION

The following report describes the final status of House legislation during the 134th General Assembly, which concluded on Dec. 31, 2022. Any unfinished legislation described below would need to be reintroduced during the 135th General Assembly, which convened on January 3, 2023. Items of particular interest to local economic developers that were made into law are highlighted in yellow throughout.

HOUSE RESOLUTIONS:

HR 19 INFRASTRUCTURE BANK (Sobecki, L., Stephens, J.) This resolution urges Congress to create a National Infrastructure Bank to finance urgently needed infrastructure projects.

During sponsor testimony on February 24 in the House Infrastructure & Rural Development Committee, sponsor Rep. Jason Stephens (R-Kitts Hill) noted this resolution is in response to state and local governments' need for a source of low-interest loans to address infrastructure issues.

HCR 31 (Stephens, J.) This concurrent resolution urges the Governor and the Director of Transportation to provide for the extension of I-73 and I-74 into Ohio. Specifically, the measure proposes that I-74 be extended from Cincinnati to Portsmouth, while I-73 would be upgraded through State Route 52 between Huntington and Portsmouth.

On January 26, 2022 the House adopted the resolution on a vote of 76-15 and the Resolution was offered in the Senate on February 2, 2022.

HR 35 PROPERTY TAX COMMITTEE (Troy, D.) This resolution seeks to authorize the creation of the temporary House Select Committee on Property Tax Education and Reform. The 10-member Committee would provide the Ohio General Assembly with a better understanding of the history and purpose of Ohio's property tax laws, and would include a review of exemptions to property taxes. The resolution had its first hearing before the House Ways & Means Committee on May 18, 2021.

HOUSE BILLS:

HB 2 BROADBAND SERVICES (Carfagna, R., Stewart, B.) Introduced on February 4, 2021, this bill concerns broadband expansion, including access to electric cooperative easements and facilities. Note the companion SB 8 in the upper chamber. Note further this legislation was dropped into the State's biennial budget bill – HB 110 – via action by the House Finance Committee on April 13.

This bill quickly cleared the House Finance Committee, where Sponsor Rep. Rick Carfagna (R – Genoa Township) called this repeat measure of House Bill 13 (133rd General Assembly) a “labor of love” as approximately 1 million Ohioans lack access to reliable broadband.

The bill establishes the Ohio Residential Broadband Expansion Grant Program (R.C. 122.40 et seq.), to be housed within ODOD, providing funds to broadband providers that otherwise would not pursue

expansion in certain areas of Ohio without such support. Specifically, this will provides ODOD-vetted grants to cover broadband providers' costs of providing hard-to-reach, last-mile connectivity.

The Committee adopted an amended bill that increased funding for the proposed program (\$20MM in State Fiscal Year 2021 (i.e., current budget period); \$170 MM in SFY 2022; and \$20MM in SFY 2023). Specifically, the Committee added two (2) amendments: (1) using \$150MM of the Governor's proposed \$290MM in broadband spending to arrive at the SFY 2022 appropriation (\$170MM), while keeping the SFY 2023 appropriation as originally proposed (\$20MM); and (2) inserting an emergency clause.

On February 18, the legislation cleared the House (88-5 vote).

On March 23, the Senate Financial Institutions & Technology Committee heard testimony suggesting changes to the measure, including: (1) AEP Ohio requesting that electric distribution utilities be allowed to apply to the ODOD for grant funds; and (2) both the Ohio Economic Development Association and AARP requesting that governmental entities be allowed to apply for grant funds (the statewide economic development organization noted, "Ohio needs an 'all hands on deck' solution" to close the digital divide).

On April 27, the Senate Committee unanimously reported out the bill, which then passed unanimously via floor vote on April 28. Amendments made by the Committee included stripping out funding for State Fiscal Year 2022 (\$170MM) and SFY 2023 (\$20MM), as those appropriations now are included in the state operating budget (HB 110). Thus, funding in this bill for SFY 2021 is \$20MM (to be available immediately), sourced from ODOD's Facilities Establishment Fund rather than the state's General Revenue Fund. Administratively, one of the amendments creates a stand-alone fund account – the Residential Broadband Expansion Grant Program Fund – thereby enabling the fund to hold any other appropriations from the General Assembly that may be made in the future.

The measure, which includes an emergency clause, cleared the House's concurrence vote on May 5, 2021. **The bill was signed into law by the Governor on May 17, 2021; now signed, ODOD can immediately commence the Ohio Residential Broadband Expansion Program.**

HB 10 UTILITY LAWS (Leland, D.) Introduced by the House Democrats on February 4, 2021, this bill makes changes regarding electric utility service law, to allow the implementation of energy waste reduction programs, and to repeal certain provisions of H.B. 6 of the 133rd General Assembly. Sponsor Rep. David Leland (D-Columbus) seeks to repeal and refund HB 6's subsidies as well as the decoupling charges. This measure had its first hearing on February 17 in the House Public Utilities Committee.

HB 18 ENERGY LAW REPEAL (Lanese, L.) Introduced on February 4, 2021, this bill seeks to repeal the changes made by H.B. 6 of the 133rd General Assembly to the laws governing electric service, renewable energy, and energy efficiency and the changes made to other related laws. This measure had its first hearing on February 17 in the House Public Utilities Committee.

HB 43 PUBLIC MEETINGS (Sobecki, L., Hoops, J.) Introduced on February 4, 2021, this bill seeks to permanently authorize public bodies to meet via teleconference and video conference beyond the currently July 1, 2021 sunset. The House Government Oversight Committee heard this measure for the first time on February 11.

HB 45 TAX AMNESTY (West, T. Roemer, B.) Introduced on February 4, 2021, this bill seeks to require the Tax Commissioner to administer a temporary amnesty program from April 1, 2021, to May 31, 2021, with

respect to delinquent state taxes and fees. This bill passed the House by unanimous vote on December 8, 2021; during 2022, it had been heard three times by the Senate Ways & Means Committee, until it was re-referred to the Senate Finance Committee in mid-November.

On December 13, the Senate Finance Committee reported out the measure, baked with appropriations for the State's remaining balance of ARPA funds; the bill passed the entire Senate on December 14, and the House concurred in the Senate's changes the same day. **The bill was signed into law Governor DeWine on January 6, 2023.**

Non-General Fund appropriations added to the bill include the following:

- \$1.75B for schools
- \$740MM for the state's "rainy day" fund
- \$499MM in federal child care spending
- \$350MM for nursing homes
- \$90MM for crisis care facilities
- \$85MM for mental health programs at state colleges and universities
- \$40MM for assisted living

Of particular relevance for local economic developers, this bill includes the following items:

- Changes to Ohio's Sunshine Laws that removes meetings of SIDs / E-SIDs (i.e., PACE) corporations (R.C. 1710.02) from certain open meetings, public records, and Ohio Ethics Commission requirements
- \$75MM in water and sewer grants by ODOD to municipalities and counties for megaprojects (read: new Honda battery plant infrastructure)
- \$250MM in water and sewer quality program grants by ODOD
- Changes to the Ohio Historic Preservation Tax Credit (R.C. 149.311) to remove LIHTC-project buildings from eligibility
- Effective tax year 2023 (i.e., tax lien date January 1, 2023), changes to allow county auditors various means to calculate the true value of LIHTC-project's real property (i.e., market-data, income, and/or cost approaches)
- \$150MM for lead abatement projects administered by ODOD
- \$25MM in ARPA funds for a Habitat for Humanity workforce housing development program, to be administered by ODOD, with up to \$50,000/home grants for construction / rehab of housing units intended for households with up to 80% AMI, to include critical home repair and apprenticeship training components
- \$161MM in ARPA funds for emergency rental assistance, to be administered by ODOD, for rent and utility arrearages incurred prior to December 2021

HB 47 CHARGING STATIONS (Loychik, M.) Introduced on February 4, 2021, this bill requires the Director of ODOT to establish an electric vehicle charging station grant rebate program and to make an appropriation. Note the companion SB 32 in the upper chamber. This bill had its fourth hearing in the House Transportation & Public Safety Committee on June 22.

HB 51 VALUATION ADJUSTMENTS (Lampton, B.) Introduced on February 3, 2021, this bill pertains to valuation adjustments for destroyed or injured property. It passed the House unanimously on March 3, and received three hearings in the Senate Ways & Means Committee through October 2021.

On January 25, 2022, the Senate Ways & Means Committee adopted amendments to the bill to reauthorize remote hearing authority for Ohio public entities. In so doing, the Committee Chairman Sen. Louis Blessing (R-Colerain Twp.) described the amendment as mirroring language passed during the previous session (HB 404, 133rd General Assembly: allowed state and local government entities to meet via Zoom and other communications programs, and which expired on July 1, 2021). This bill's authorization applies to "all publicly elected bodies" and would be effective through June 30, 2022.

Further changes to this bill made by the Senate committee included a provision to align Ohio's tax laws with a change included in the recently passed federal infrastructure act (i.e., the taxation of entities involved in water and sewage disposal services).

On January 26, 2022 the Senate unanimously passed the bill. Because several amendments referenced above contained emergency clauses, they will become effective immediately upon receiving the Governor's signature. The House concurred in Senate amendments on a vote of 88-1 on February 9, 2022. **The bill was signed into law by the Governor on February 17, 2022 and took effect the same day.**

HB 53 CONTRACT LIMITATIONS (Hillyer, B.) Introduced on February 4, 2021, this bill seeks to shorten the period of limitations for actions upon a contract; to make changes to the borrowing statute pertaining to applicable periods of limitations; and to establish a statute of repose for a legal malpractice action. Note the companion SB 13 in the upper chamber, which was signed into law on March 16, 2021. This bill has been referred to the House Civil Justice Committee.

HB 57 ENERGY REPEAL (Skindell, M., O'Brien, M.) Introduced on February 4, 2021, this bill seeks to repeal the changes made by H.B. 6 of the 133rd General Assembly to the laws governing electric service, renewable energy, and energy efficiency. This measure had its first hearing on February 17 in the House Public Utilities Committee.

HB 58 UTILITY EARNINGS (Skindell, M., Denson, S.) Introduced on February 4, 2021, this bill pertains to the significantly excessive earnings determination for an electric distribution utility's electric security plan. Note the similar HB 128 as well as SB 44 in the upper chamber. This House version introduced by Rep. Michael Skindell (D-Lakewood) and Rep. Sedrick Denson (D-Cincinnati) would not impact decoupling. This measure had its first hearing on February 17 in the House Public Utilities Committee.

HB 63 EMINENT DOMAIN (Cutrona, A., Stoltzfus, R.) This bill will amend the law regarding eminent domain and to declare an emergency. During sponsor testimony to the House Civil Justice Committee, Rep. Reggie Stoltzfus (R – Paris Twp.) noted the bill allows residents impacted by eminent domain to seek relief from township trustees, rather than via court procedures. This bill had its second hearing in the House Civil Justice Committee on March 2.

HB 66 PROPERTY TAX EXEMPTIONS (Hoops, J.) Introduced on February 4, 2021, this bill requires the reporting of information on, and legislative review of, property tax exemptions. This bill would require the Ohio Tax Commissioner's biennial tax expenditure report to include data pertaining to local property tax exemption programs.

This measure passed the House on March 3 by unanimous vote.

On December 13, 2022, the Senate Ways & Means Committee reported-out the bill; the bill passed by unanimous vote in the Senate on December 14, and the House concurred in the Senate's changes the same day. **The bill was signed into law by Governor DeWine on January 2, 2023.**

The bill includes the following amendments that are relevant to local economic developers:

- Require the Ohio Tax Commissioner's biennial tax expenditure report (see R.C. 5703.48) to include information on local property tax exemptions. (Compare: current law says the report is to address "tax expenditures," which are tax exemptions, credits, deductions, or other provisions that reduce the revenue that would otherwise be collected from a tax levied by the state. Here, property taxes levied – and exempted – by local governments, not the state, now will be tracked in the report.)
- Changes the Enterprise Zone Program to allow a limited 12-month period for property owners with EZ exemptions, but which failed to properly apply for such, to submit exemption applications (i.e., Form DTE-24), and for the abatement of unpaid taxes on said property, including those assessed prior to the current owner's acquisition
- Changes Ohio TIF law to allow a limited 12-month period for certain municipally created TIFs (those created only from June to December 2002) to file exemption applications (i.e., Form DTE-24) on a parcel-by-parcel basis
- Authorizes debt in the amount of \$30MM to the Cleveland Guardians and \$5MM to the Dayton Dragons, each for infrastructure improvements, and appropriates \$35MM in in the State's ARPA funds as grants to Ohio's minor league sports teams, the latter to be administered by ODOD

HB 74 TRANSPORTATION BUDGET (Oelslager, S.) Introduced February 9, 2021, this bill is the state's \$8.3B two-year transportation budget (State Fiscal Years 2022 and 2023).

The House Finance Committee in late February and early March accepted several changes to the initially proposed transportation budget. The provisions of the substitute bill include the following:

- More funding for public transit. Doubles the proposed investment for public transit to \$193.7MM during the biennium
- Removed distracted driving language. All distracted driving provisions were removed from the as-introduced bill's provisions; these had been a priority for Governor DeWine
- Dedicated funding for RTPOs. Regional Transportation Planning Organizations (RTPOs) would be allocated \$2.6MM/year rural transportation planning grant programs

The House Finance Committee cleared the bill on March 3, with the entire Ohio House approving it by an 87-8 vote on March 4.

On March 24, the Senate Transportation Committee reported out the bill, and the entire Senate passed the measure by unanimous vote. (The House concurred on an 86-8 vote.) **The bill was signed into law by Governor DeWine on March 31**; there were no line-item vetoes. The appropriations go into effect immediately; the law change provisions go into effect 90 days hence. In its final form, the bill provided the following:

- Increases State GRF for public transit by \$13.85MM each year, thus totaling \$37 MM for State Fiscal Year 2022 and SFY 2023;

- Allows for state's driver's license renewal on an eight-year cycle, including online renewal options;
- Requires ODOT to reopen certain closed weigh stations as overnight parking for commercial vehicles;
- Makes the Cleveland metro's RTA's rail projects eligible for ODOT's TRAC funding process;
- Increases capital appropriations for the Public Works Commission's Local Public Infrastructure by \$2MM; and,
- Directs OEPA to use \$8MM from Volkswagen Clean Air Act Settlement for electronic vehicle charging station grant program.

HB 91 PUBLIC FACILITY PARTNERSHIPS (Patton, T.) Introduced on February 9, 2021, this bill would authorize certain public entities to enter into public-private initiatives with a private party through a public-private agreement regarding public facilities. This bill had its third hearing on September 29 in the House Infrastructure & Rural Development Committee, intended for opponent testimony; none was heard.

HB 95 INCOME TAX CREDITS (Manchester, S.) Introduced on February 9, 2021, this bill would allow income tax credits for beginning farmers and related businesses. The as-introduced bill was not of importance to local economic developers. But after the bill passed the House in June 2021, the Senate Ways & Means Committee proceeded to report out a Sub. HB 95 that impacts TIF law. On April 4, 2022, the House concurred with the Senate's changes as such. **The bill was signed into law by Governor DeWine on April 18.**

The Senate's enacted substitute bill creates NEW R.C. 5709.916 related to municipal TIFs. In effect, the substitute version "grandfathers" those project sites that were exempted by multiple, layered TIFs if such projects were approved by municipal corporations prior to March 1, 2022. On or after that date, a TIF exemption adopted via ordinance as to a particular property will terminate and replace any prior exemption of improvements to the same parcel as may have been authorized by a previous ordinance.

HB 110 BUDGET BILL (Oelslager, S.) Introduced on February 16, 2021, this bill was the legislative vehicle for Governor Mike DeWine's executive budget proposal. The measure was helmed by the bill's sponsor, Rep. Scott Oelslager (R-Canton). As widely reported, and detailed in prior months' Bricker reports, the state budget bill gained and lost various provisions during budget negotiations.

In the late evening of Wednesday, June 30 (after having received the final, signed bill at 7pm that night), **Governor DeWine signed the budget bill into law.** The final enacted version had elements of particular interest to economic developers, which are described below.

Substantive Law Changes

- ODSA reverts back to its historic **Ohio Department of Development** name;
- Transfers compliance responsibilities from the Ohio Attorney General to the **Auditor of State** as to recipients' compliance with state economic development awards (new R.C. 117.55);
- Creates within ODOD a **Brownfield Remediation Program** (new R.C. 122.6511), with project eligibility to be set via administrative rules issued by the Director; funds may cover up to 25% of a project's total cost to remediate brownfield conditions; program must be operational and accepting application within 90 days of budget bill's effective date (September 29, 2021), with

\$350MM appropriated for SFY 2022 to support the program statewide (\$1M reserved for each Ohio county for one (1) year; all remaining funds awarded by ODOD on a first-come, first-served basis; authority to re-appropriate any unencumbered balance of funds in the program to SFY 2023);

- Creates within ODOD a **Building Demolition and Site Revitalization Program** (*new R.C. 122.6512*), for the demolition of commercial and residential buildings and adjacent, non-brownfield properties; project eligibility to be set via administrative rules issued by the Director; funds may cover up to 25% of a project's total cost; program must be operational and accepting application within 90 days of budget bill's effective date (September 29, 2021), with \$150MM appropriated for SFY 2022 to support the program statewide (\$500,000 reserved for each Ohio county for one (1) year; all remaining funds awarded by ODOD on a first-come, first-served basis; authority to re-appropriate any unencumbered balance of funds in the program to SFY 2023);
- Changes the ODOD's **Rural Business Growth Program** (R.C. 122.151) eligibility criteria and investment requirements (e.g., referencing participating companies in the state's border counties), bifurcating program funds as to before / after the effective date of these HB 110 changes, and requiring the new types of applications to be accepted by ODOD within 30 days of the budget bill's effective date (on or after July 31, 2021);
- Inserts new "megaproject" designation in the state's **Job Creation Tax Credit program** (*new R.C. 122.17(A)(11) and (D)(2)(c)*), allowing tax credits for very large projects (i.e., at least \$1B in capital investment or \$75MM/year in new payroll, average wages at least 300% of the federal minimum wage) for up to 30 years, as well as allows JCTC recipients to include work-from-home employees in their job creation calculations (*new R.C. 122.17(T)*);
- Includes a new rank-ordering of **Job Retention Tax Credit** application priorities (*new R.C. 122.171(C)(2)*).
- Changes elements of the **state's Opportunity Zone tax credits** (R.C. 122.84) to increase to \$2MM the limits on credits awarded to individual taxpayers each budget biennium;
- Removes *production contractors* from those which may claim the state's film and theater tax credit (R.C. 122.85);
- Drops in the provisions of proposed HB 174, which authorizes an income tax deduction for capital gains received by investors in certain Ohio-based venture capital operating companies (*new R.C. 122.851*);
- Extends the availability of the state's **Transformational Mixed Use Tax Credit** (or TMUD, at R.C. 122.09) from 2023 to 2025 and sets at \$100MM the maximum annual credit allotment during those two extra years (given that no TMUD credits were issued during 2020 to 2021, this amendment shifts those years' allotments into the extended time period);
- Changes to **JEDD law** (*new R.C. 715.72(A)(10) and (11); and (J)(2)*) as to the means of creating a new or amending an existing JEDD (to add area) to require new notices, new JEDD Agreement terms, and exclusions of land from JEDDs that are *in close proximity to, or subject to water / sanitary sewer service agreements by, a municipality which is not party to the JEDD Agreement*. Unless an owner signs the JEDD Petition, such land must be excluded from the JEDD District,^{1[1]}

^{1[1]} The changes to JEDD and TIF law were the subject of a Bricker-authored article published during the budget bill's consideration, available at the following link: <https://www.bricker.com/resource-center/develop-ohio/publications/ohio-senate-committee-chefs-baking-economic-development-morsels-into-their-version-of-the-state-budget-bill>

- Changes to **TIF law** by adding language to “Public Infrastructure Improvement” definition (R.C. 5709.40(A)(8)): general use of TIF funds may now include off-street parking facilities, including those with reserved spaces (i.e., nonpublic);¹
- Cleans-up language in **urban redevelopment TIF** (R.C. 5709.41) to specify that exemptions commence after the effective date of the municipality’s enabling ordinance, as well as to make explicit that TIF exemptions commence upon certain value being created or on a parcel-by-parcel basis, once improvements are made (rather than an entire urban redevelopment TIF’s exemption commencing based on improvements to a singular parcel);¹
- Inserts *new* R.C. 5713.083 to require owners of exempt property to notify their respective county auditor (on a to-be-developed OTAX form) as to the property’s ceasing to be exempt from real property taxes, with charges imposed for an owner’s failure to notify;
- Extends by two years (to December 31, 2024) the deadline by which renewable energy operators may apply to ODOD for a **Qualified Energy Project** tax exemption (R.C. 5727.75);
- Inserts “megaprojects” into the **Community Reinvestment Area (CRA) program** (*new* R.C. 3735.65(E)), authorizing local jurisdictions to award additional 15 years of tax exemptions to megaprojects.

Appropriation Items of Interest

- Restores appropriation levels for the **Ohio Rural Industrial Park Loan Program** (\$15MM in SFY 2022 and SFY 2023), expands eligibility beyond distressed areas by including rural areas, which are any county not within a statistical metropolitan area (MSA), as well as transfers \$20MM in unencumbered funds to SFY 2022;
- As to **ODOD’s Residential Broadband Expansion Grant Program** (i.e., enacted HB 2):
 - o Modifies the current law’s provisions of OPERS contributions to members of the Residential Broadband Expansion Program Authority;
 - o Strips out the Senate’s proposed limits on existing and future municipal broadband networks;
 - o Replaces the Senate Finance Committee’s zeroed-out appropriations by providing \$230MM in SFY 2022 and \$20MM in SFY 2023 to ODOD for the new broadband expansion program;
- Earmarks \$1M/year to the **Lucas County Land Bank** for its Commercial Site Clean-up Pilot Program to demolish vacant commercial or industrial buildings in the county, with \$1:\$1 local match required;
- Earmarks \$250,000/year to **Fulton County Land Bank** to demolish vacant commercial or industrial buildings in the county;
- Creates a **Main Street Job Recovery Program** (\$250,000/SFY) in ODOD for business and employment opportunities among LMI and prison re-entry populations;
- Directs ODOD to make available grants during SFY 2022 – in amounts of \$10,000, \$20,000, and \$30,000 – for entertainment venues, bars and restaurants, and lodging industry businesses, based in-part on demonstrated losses of revenue from COVID-19, but now sources the funding from the ARPA - State Fiscal Recovery Fund;
- Directs to ODOD to make available grants during SFY 2022 – in amounts of \$10,000 – for new businesses having commenced operations after January 1, 2020, but now sources the funding from the APRA – State Fiscal Recovery Fund;
- Appropriates \$10MM in SFY 2022 in **Sports Event Grant Program** funds awarded under R.C. 122.12 and R.C. 122.121;

- Creates a new **Meat Processing Program Fund** in ODOD, to provide up to \$250,000 grants to **meat processing plants** for facility improvements and equipment purchases.

HB 118 WIND FARMS (Riedel, C., Stein, D.) Introduced on February 16, 2021, this bill requires inclusion of safety specifications in wind farm certificate applications, to modify wind turbine setbacks, and to permit a township referendum vote on certain wind farm and solar facility certificates. Note the companion SB 52 in the upper chamber, which was signed into law on July 12.

In effect, this bill allows local voters to veto turbine projects approved by the Ohio Power Siting Board. Specifically, the measure requires a renewable developer to submit a plan to township trustees 30 days prior to submission to the Ohio Power Siting Board; township trustees could then approve the project or trigger a referendum process, whereby the siting question would advance to the ballot at the next primary or general election (so long as at least 8% of voters in the last gubernatorial election supported the referendum).

During its first hearing on February 23, House Public Utilities Committee members expressed concern the measure sends a bad message to the business community. Rep. Laura Lanese (R-Grove City) noted the plan would establish a "very dangerous precedent.... We're saying that with this one energy generation – or in this case two – resources we're going to have one set of rules," she said. "Yet with all the other sources of energy generation we're not. From a business point of view...we're sending this anti-business message."

On March 23, the House Public Utilities Committee held its third hearing on the measure, with significant written and in-person testimony submitted, including Columbus Partnership CEO Alex Fischer, who noted, "This is a job killing bill. I can't put it any other way." Other opponent testimony was offered by the Ohio Chamber of Commerce, economic development organizations, and the Ohio Farm Bureau Federation.

On May 12, the House Public Utilities Committee accepted a substitute bill from the sponsors, based on industry concerns. Under the new version of the bill, community action is moved to the beginning of the site-permitting process, with townships empowered to designate all or part of their jurisdiction as an energy development district; this latter action would be subject to referendum by the electors. The OPSB would be prohibited from approving a project not within such an energy development district.

HB 123 COMMUNITY REINVESTMENT AREAS (Fraizer, M., Cross, J.) Introduced on February 16, 2021, this bill modifies the law governing CRA areas and the terms under which property may be exempted in such areas.

The bill streamlines the process of creating a new CRA by eliminating Ohio Department of Development (ODOD) designation and agreement sign-off responsibilities. Instead, ODOD is charged with merely designing a model CRA Agreement for commercial or industrial projects. The bill increases abatement thresholds to 75% (from current 50%) equal to which a municipality or county can make awards without school board approval. Further, the bill eliminates the requirement that municipalities that impose an income tax share that revenue with school districts when payroll from new employees is greater than \$1M/year.

During sponsor testimony to the House Ways & Means Committee, Rep. Mark Fraizer (R-Newark) said the bill aims to update the Community Reinvestment Area law enacted in 1994, describing the bill's focus

as building consistency by aligning economic development tools like TIFs and CRA to default tax incentive percentages (to 75% with up to 100% available based on school board approval); reducing penalty years for relocating from 5 years to 2 years for relocating in the State; and cleaning up language and processes.

On May 26, 2021, the House voted 55-35 to approve a substitute version of the bill, which makes the following changes:

- Allows for limited home rule townships to establish CRAs (under current law, only municipalities and counties may do so);
- Does not require the use of ODOD model agreements, but requires CRA agreements to include ODOD's "magic language" from its model document; and
- Allows for municipal-school district income sharing agreements when new payroll is more than \$3MM/year, tied to inflation.

The Senate Ways & Means Committee held several hearings from fall 2021 to spring 2022.

On March 1, Senate Ways & Means Committee Chair Blessing moved an amendment, AM2653, to bring the bill "closer to what county commissioners and school districts wanted." The Committee's amendment would provide the following:

- Set the threshold for new payroll at \$2MM - at which a municipality must share income tax revenue with school districts - down from \$3MM in the previous version, but up from \$1M in current law (see R.C. 5709.82(C));
- Set the period at three years for which a developer who discontinues a CRA project to be ineligible for another CRA exemption - up from two in the previous version, but down from five in current law (see R.C. 3735.671(E));
- Restore notification to local authorities in advance of a project owner's relocation to another local authority's CRA; and
- Eliminate obsolete references to ODSA in favor of the renamed ODOD.

On April 5, 2022, the Senate Ways & Means Committee heard the bill for the fifth and final time, until the waning hours of the 134th General Assembly, during which Rep. Frazier amended HB 123 language into SB 33 (discussed at length, below). This tactical move allowed the bill to avoid the slow crawl it experienced in Senator Blessing's Ways & Means Committee. (The amended SB 33, with CRA provisions sourced largely from the as-introduced bill, with certain of the subsequent amendments, passed the House and the Senate (the latter concurring in the House's changes) on December 14; it was signed into law by Governor DeWine on January 2, 2023.)

HB 128 ELECTRIC LAWS (Hoops, J., Stein, D.) This bill seeks to make changes regarding electric utility service law, to repeal the \$150MM/year in nuclear payments under HB 6, and to provide refunds to retail electric customers in the state. Note the companion SB 44 in the upper chamber.

House Public Utilities Chair Rep. James Hoops (R-Napoleon) introduced this separate plan to repeal decoupling provisions and the threshold at which a utility achieves significantly excessive earnings (the so-called SEET) that should be refunded; these elements had both specifically benefited FirstEnergy. The bill leaves intact the \$20MM/year in annual solar subsidies provided under HB 6.

On March 10, the House voted 86-7 for the proposal. (Interestingly, one of the House members voting to approve this HB 6 repeal measure was Rep. Larry Householder (R-Glenford), the former speaker who has pleaded not guilty to a racketeering charge amid the scandal.)

On March 24 the Senate voted to approve the measure; the House voted unanimously in concurrence. **The bill was signed into law by Governor DeWine on March 31**, and it becomes effective 90 days hence (with revenue paid under the now-repealed HB 6 provisions to be refunded).

HB 133 TAX COMPLAINTS (Hillyer, B.) Introduced on February 17, 2021, this bill relates to commerce and property tax valuation complaints. This measure also seeks to repeal the version of R.C. 1322.24 taking effect October 9, 2021 that governs the granting of temporary permission to out-of-state mortgage lenders to originate loans in Ohio.

On March 17, this measure passed the House via unanimous vote. The bill then was heard three times in the Senate Financial Institutions & Technology Committee during late April to early May, and was reported out as an amended measure on May 11. That amended bill, with an emergency provision, passed the Senate unanimously on May 12. On June 2, 2021, **the Governor signed the bill into law**.

HB 143 CLEAN OHIO FUND (Hillyer, B.) Introduced on February 23, 2021, this bill seeks to make changes to the law relating to the Clean Ohio Revitalization Fund. Note the companion SB 84 in the upper chamber.

This brownfield bill provides a dedicated funding source for the Clean Ohio Revitalization Fund (CORF). This is in response to the fact a dedicated funding source for brownfields was not included in the Governor's introduced budget (HB 110). Sponsor Representative Hillyer (R – Uhrichsville) introduced this same legislation during the 133rd General Assembly.

HB 146 PREVAILING WAGE (Riedel, C., Manchester, S.) Introduced on February 23, 2021, this bill seeks to allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects.

On June 23, this measure had its second hearing in the House Commerce & Labor Committee.

HB 155 LAND USE (Upchurch, T., Smith, M.) Introduced on February 25, 2021, this bill seeks to create the Land Reutilization Nuisance Abatement Program under R.C. Chapter 1724 (community improvement corporation statutes) to address nuisance structures by funding demolition, renovation, or remediation. Specifically, ODOD is charged with administering a \$50MM grant program to county land banks for the abatement of nuisance structures on blighted parcels, including both residential and commercial properties.

On April 21, this measure had its second hearing in the House Economic & Workforce Development Committee, drawing widespread support from individuals across the state. Rep. Monique Smith (D-Fairview Park), a chief sponsor of the bill, said the issue of blight extends across the state. Additional supporting testimony was offered by witnesses from the City of Nelsonville, the Butler County Land Bank, the Western Reserve Land Conservancy, and the Mahoning County Land Bank.

Bricker published an article regarding the subject matter of this bill, available [here](#):

The bill had its fourth committee hearing on June 16. Comments made by the committee chair, Rep. Jay Edwards (R-Nelsonville), generally were unfavorable to county land banks, as he noted the General Assembly should look at the current state of land banks and said that more guardrails, including a sheriff's sale pre-requisite, are needed. Given the chair's voiced concerns with land banking in general, there is doubt this bill will be reported out of his committee. But with the \$500MM in brownfield remediation and building demolition funding provided in the state budget bill (HB 110, described above), this measure is moot at this point.

HB 157 MUNICIPAL TAXES (Jordan, K., Edwards, J.) Introduced on February 25, 2021, this bill modifies municipal income tax employer withholding rules for COVID-19-related work-from-home employees.

The bill would sunset – at the end of 2021 – a temporary rule that treated those working from a location other than their regular place of employment during the pandemic as working in the office for municipal income tax purposes. It would also require municipalities to approve employees' requests for a refund of taxes withheld under the rule on and after January 1, 2021.

The bill had its sixth hearing on May 18, after which it was reported out along party lines for likely consideration on the floor by the entire House. The reported measure is now a substitute version of the bill, which sunsets the current emergency changes on municipal tax payments as of December 31, 2021 and clarifies that provisions of the bill are voluntary for businesses to follow. During the committee's consideration, opposition testimony was offered by municipal government representatives, who noted the bill's provisions regarding potential retroactive tax refunds could result in "very serious financial implications" for cities.

On May 26, 2021, the bill cleared the House; the measure has been referred in the Senate.

HB 168 BUSINESS GRANTS (Fraizer, M., Loychik, M.) Introduced on March 2, this bill was written to provide grants to businesses, local fairs, child care providers, and veterans' homes and to make an appropriation. Note the companion SB 109 in the upper chamber, which has been signed into law.

This bill was unanimously approved by the House on April 15, 2021, and on June 22, the Senate Finance Committee amended and reported-out this measure with a **significant re-write of the entire bill**. Namely, Sen. Jay Hottinger (R-Newark) proposed an amendment to remove the original contents of the bill, replacing that language with a directive to ODJFS to certify and retire the entire amount owed by the state of its unemployment assistance loan from the federal government. (During the COVID-19 pandemic, Ohio borrowed heavily to pay for the estimated \$1.47B - \$1.6B in unemployment compensation. Without this pay-off, interest would start accruing on the federal loan in September.) To-date, Ohio has received \$2.7B State Fiscal Recovery Funds from the U.S. Treasury; another \$2.7B will arrive within the year in a second and final installment.

Two days later (June 24), the bill unanimously passed the Senate after being amended on the floor in two material ways:

1. To include SB 111's provisions (described below) appropriating the first slug of \$421.86MM in Local Fiscal Recovery Funds received by the State from the U.S. Treasury in late May (with the key inclusion of townships as so-called *nonentitlement units of local government*); and,

2. To appropriate \$250MM in State Fiscal Year 2022 to ODOD for a new Water and Sewer Quality grant program to counties, townships, municipal corporations, and other bodies politic in Ohio. Within 60 days of the bill's effective date, county engineers are to submit to ODOD a list of eligible projects, ranked in order of priority.

On June 29, **Governor DeWine signed the bill into law.**

HB 169 BUSINESS GRANTS (Cutrona, A., Swearingen, D.) Introduced on March 2, this bill would provide grants to bars and restaurants and the lodging industry and make an appropriation. Note the companion SB 108 in the upper chamber.

On March 24, 2021, the measure was unanimously approved by the House. On December 7, 2021, the Senate Finance Committee loaded the legislative vehicle with \$4.18B in appropriations of ARPA relief funds, reporting out a substitute version of the bill with the following:

- \$2.49B designated for the Ohio Department of Education;
 - Includes \$92.2MM to establish a minimum per-pupil amount under ESSER for districts that heretofore have received little or no such funds; also includes \$155.2MM in funding for nonpublic schools.
- \$687MM for the Ohio Department of Job and Family Services;
- \$529MM for the Ohio Department of Medicaid;
- \$250MM for the Ohio Department of Public Safety;
 - This funding represents Gov. Mike DeWine's plan to provide the State's portion of ARPA funding to first responders across the state:
 - \$175MM appropriated for law enforcement agencies to fight crime, which is an eligible use of ARPA funds announced by the Biden Administration during summer 2021; and,
 - \$75MM for wellness initiatives, recruitment and retainment efforts and technology;
- \$142MM for the Ohio Department of Developmental Disabilities;
- \$91.1MM for the Ohio Department of Health; and,
- \$4MM for the Ohio Department of Higher Education.

The bill passed the Senate on a 29-1 vote on December 8; the House voted to concur in the Senate's rewrite of the bill on December 9. **The bill was signed into law on December 23, 2021.**

Note: with these appropriations, there remains approximately \$600MM from the U.S. Treasury's first tranche (of two) of ARPA funding allocated to the State. The Ohio Office of Budget and Management expects to receive the second tranche of Ohio's allocated funds, \$2.7B, during the first-half 2022.

HB 174 AUTHORIZE INCOME TAX DEDUCTION FOR CERTAIN CAPITAL GAINS (Cross J, Lanese L) Introduced on March 3, this bill authorizes an income tax deduction for capital gains received by investors in certain Ohio-based venture capital operating companies.

During sponsor testimony in the House Economic & Workforce Development Committee on March 24, Rep. Laura Lanese (R-Grove City) described the goal of the measure as joining 22 other states that offer tax credits to venture capital firms to encourage economic expansion. Rep. Jon Cross (R-Kenton) noted the COVID-19 pandemic has led to a movement away from the coasts.

HB 228 MUNICIPAL CORPORATION TAX (Roemer, B.) Introduced on March 23, 2021, this bill would seek to make changes related to state-administered municipal net profits taxes. The bill, in the form amended and reported-out by the House Ways & Means Committee, allows for the following:

- The Ohio Attorney General to charge and deduct its collection costs for any state-administered municipal net profits tax it collects.
- Codifies into state law an OTAX online services portal designed to securely exchange information between taxpayers and the state, and requires OTAX to notify municipal corporations through the portal when taxpayers opt in or out of centralized collection.
- Removes from state law the one piece of municipal income tax collections that was ruled unconstitutional by the Ohio Supreme Court in *Athens v. McClain* in 2020: an administrative filing fee.
- Permits pass-through entities to deduct pensions and retirement benefits paid to retired partners, shareholders, or members from their municipal net profits tax liability.

On May 26, the House passed the bill on an 88-1 vote. The Senate Ways & Means Committee reported-out an amended version of the bill on October 26, to which the House concurred, via unanimous vote; the Senate likewise passed the bill by unanimous vote on October 27. **The bill was signed into law by Governor DeWine November 7, 2021.**

HB 237 COUNTY RECORDERS (Hillyer, B.) Introduced on March 31, this bill seeks to require counties to provide an electronic means of recording instruments and accessing them, to allow county recorders to charge a document preservation surcharge, to increase recording fees for certain instruments, and to make an appropriation.

This measure (first introduced as HB 797; 133rd General Assembly) would modernize county recorders' offices. Specifically, the bill allows property conveyances to occur electronically in all of Ohio's 88 counties, as well as ensures electronically accessible records back to 1980.

The House Finance Committee held its fourth hearing on December 13, 2022, and reported-out a substitute version making several changes (new surcharge for recordings to be directed to the Ohio Housing Trust Fund; and revisions impacting powers of attorney, rental property owner agents, judgment liens, and mortgage subrogation). This measure died in the waning hours of the 134th General Assembly.

HB 241 TAX FORECLOSURES (Patton, T.) Introduced on March 31, this bill makes changes to the law relating to tax foreclosures and county land reutilization corporations. Note the companion SB 112 in the upper chamber. The bill has been referred to the House State & Local Government Committee, at which it was scheduled to have had its first hearing on December 7, 2022; the bill was removed from the Committee's agenda.

HB 264 INCOME TAX (Smith, M., Sobecki, L.) Introduced on April 20, 2021, this bill would seek to modify the municipal income tax withholding rule for employees working at a temporary worksite.

HB 271 NATURAL GAS (Edwards, J.) Introduced on April 22, 2021, this bill would establish a natural gas infrastructure development program and fund to help meet Ohio's natural gas supply needs. The measure had its first hearing in the House Energy & Natural Resources Committee on May 6.

HB 302 WIND FARMS (Skindell, M., Smith, K.) This measure, introduced on May 11, 2021, would alter the minimum setback requirement for wind farms of five or more megawatts.

The bill had its first hearing before the House Public Utilities Committee on May 19, 2021. During joint sponsor testimony, Rep. Kent Smith (D – Euclid) noted this measure would essentially reverse a 2014 floor amendment that extended wind turbine setbacks, reverting the setback limit for + 5MW turbines to the distance they were prior to that change.

HB 303 COMMUNITY REINVESTMENT AREAS (Swearingen, D.) Introduced on May 12, 2021, this bill generally regards career-technical education. The bill would require that school compensation agreements reached under commercial or industrial CRA abatements be provided on the same terms and conditions to joint vocational school districts. Note the companion bill in the upper chamber (SB 166).

The bill had its first hearing in the House Economic & Workforce Development Committee on June 16, during which sponsor testimony by Rep. D.J. Swearingen (R-Huron).

HB 338 MOTORCYCLE SAFETY (Hoops, J.) Introduced June 7, 2021, this bill ostensibly sought to make changes to the laws related to the motorcycle safety. But on May 18, 2022, the measure became the vehicle to appropriate federal funding for highway and public transportation infrastructure. **This measure was signed by Governor DeWine into law on June 1, 2022.**

The Senate Transportation Committee rewrote the legislation to include authorization for ODOT to (i) award design and build contracts of up to \$1.5B for Cincinnati's Brent Spence Bridge; and (ii) direct \$690.3MM from Ohio's portion of federal Infrastructure Investment and Jobs Act funding, with \$672.6MM of that amount (97.4%) to go into the Highway Operating Fund for highway construction and \$17.7MM (2.6%) to public transportation. Later the same day, the full Senate voted 30-1 to advance the rewritten legislation; it was then sent back to the House, which concurred 76-10.

The bill also includes a law change directed at COTA: enabling Regional Transit Authorities to issue revenue bonds supported by sales tax proceeds and expanding the scope of activities available to RTAs with territories including a county (read Franklin) with at least 1.3 million population.

HB 358 REVISE ETHICS LAW REPORTING REQUIREMENTS (Lanese, L., Manning, G.) Introduced on June 22, 2021, this bill amends ethics reporting requirements. Certain public and elected officials are required to file disclosure statements as to their sources of income, property interests, debts, and the source of gifts received for the prior year having a value over \$75 (with some exceptions). HB 358 increases this gift-disclosure-threshold to \$150.

The bill was heard for the first time on December 1, 2022 by the House Government Oversight Committee.

HB 369 PROPERTY TAX EXEMPTIONS (Weinstein, C.) Introduced on July 7, 2021, this bill seeks to enact the School Board Fairness Act, requiring school districts to approve certain residential community reinvestment area property tax exemptions.

HB 377 LOCAL FISCAL RECOVERY (Hall, T., Swearingen, D.) Introduced on July 15, 2021, this bill seeks to amend just-enacted HB 168 to appropriate the entirety of the U.S. Treasury's allocation of Local Fiscal

Recovery Funds (\$844MM) to nonentitlement units of local government (NEUs), to be distributed by Ohio OBM.

This measure was fast-tracked for hearings in the House Finance Committee and cleared the entire House on May 18 in a 75-9 vote.

On June 1, this bill's appropriations more than doubled as the **State's \$500MM in funding for Appalachian-area initiatives** was inserted by the Senate Finance Committee. That same day, the Senate passed the amended measure 31-1 and the House concurred in those Senate amendments in an 80-10 vote. **The bill was signed into law by Governor DeWine on June 28, 2022.**

HB 389 CREATING ENERGY EFFICIENT AND DEMAND REDUCTION PORTFOLIOS (Leland, D., and Bill S.). Introduced on August 12, 2021, the House Public Utilities Committee favorably reported a Substitute HB 389 to the full House, which "informally" passed the measure on November 16, 2022. This measure died in the waning hours of the 134th General Assembly.

As reported-out, Sub. HB 389 encourages electric distribution utilities to develop voluntary portfolios of energy savings programs to help their customers save energy. Each electric utility may submit an application to the PUCO for approval, including a description of the program.

If approved, a utility's portfolio costs cannot result in a rate producing a monthly charge for "residential customers" greater than \$1.50 per month; residential customers are automatically opted-in and can opt-out within a limited window of time (i.e., three (3) weeks). "Mercantile customers" (i.e., commercial or industrial users), by contrast, are automatically opted-out of any opportunity to participate in a portfolio—to participate, they must affirmatively choose to opt-in to the portfolio in writing.

Each portfolio program must be annually reviewed for cost-effectiveness and compliance with state law.

HB 397 REVISE AGRICULTURAL LEASE LAW (Stewart, B., Kick, D.) This bill was introduced on August 24, 2021 to revise the law with respect to agricultural leases and soil and water conservation districts. As originally drafted and passed by the Ohio House on December 8, 2021, the bill did not have importance to local economic developers. It then became the **vehicle by which the General Assembly funds infrastructure improvements for the Intel project in Licking County**, as well as other infrastructure improvements needed statewide.

On April 6, 2022, the Ohio Senate Agriculture & Natural Resources Committee reported out a substitute version of HB 397, **allocating \$85MM to create within ODOD the "Investing in Ohio Fund."** That same day, the Senate unanimously passed the bill, the Ohio House concurred to the Senate changes, and the measure was **signed into law by Governor DeWine on April 21.**

HB 399 TAX CREDIT (Smith, K., Callender, J.) This bill was introduced on August 24, 2021 to temporarily authorize a refundable income tax credit for investing in a sound recording production company.

HB 412 TAXATION (Stoltzfus, R., Roemer, B.) Introduced on September 8, 2021, this bill would require the online publication of mailing addresses to which certain tax complaints and appeals are filed. The measure had its second hearing in the House Ways & Means Committee on October 26.

HB 430 PROPERTY DEVELOPMENT (Cross, J.) Introduced on September 21, 2021, this bill enacts new R.C. 713.28 related to property development adjacent to natural gas transmission pipelines. Specifically, this measure would require a pipeline operator to provide certain information to a public authority if a public improvement is located within 660 feet of the center point of natural gas pipelines, as well as require developers to include such information in their project plans. Further, a public authority would be authorized to withhold project approval until the bill's requirements have been met.

This measure was reported out by the House Energy & Natural Resources Committee in February 2022, and the full House passed the legislation unanimously on March 2.

On June 1, 2022, the entire Senate voted to approve the bill, which was amended and reported out by the Energy & Public Utilities Committee (with one such change related to landline telephone service cessation by telecommunications companies). The House concurred in those changes on the same day. **The bill was signed into law by Governor DeWine on June 24, 2022.**

HB 434 NUCLEAR TECHNOLOGY (Stein, D.) This bill was introduced on September 29, 2021 to establish the Ohio Nuclear Development Authority within ODOD. This measure was reported out by the House Energy & Natural Resources Committee on February 15, 2022, and it passed the full House on March 23.

The bill had its third hearing on December 6, 2022 in the Senate Energy & Public Utilities Committee. This measure died in the waning hours of the 134th General Assembly.

HB 436 PORT AUTHORITIES (Jordan, K., Carfagna, R.) Introduced on September 28, 2021, this bill seeks to narrow the purposes for which a pre-1982 port authority (i.e., a port formed under R.C. 4582.01 to R.C. 4582.20) may issue revenue bonds beyond its limit of bonded indebtedness, as well as to exempt from sales/use taxes the sale of TPP or services used in fulfilling a public contract with a port authority. As to the latter change, the bill provides that the sales and use tax will not be applied on the sales of tangible personal property or services to a person under contract with a port authority.

In hearings before the House Ways & Means Committee (two such hearings through November 9), sponsor Rep. Kris Jordan (R-Ostrander) said the bill provides clarification regarding the scope of the "building and construction materials and services" exemption from the state sales and use tax (R.C. 5739.02(B)(13)); the Ohio Chamber testified in support of the measure.

HB 450 SOLAR PROJECTS (Baldrige, B., Lanese, L.) Introduced on October 12, 2021, this bill allows for the development of community solar projects. Specifically, the bill permits community solar in the territories of the electric distribution utilities (EDUs). (To date, community solar has not been available in EDU territories due to the inability for customers to participate in aggregate or virtual net metering; an EDU cannot control a community solar project but its affiliate may control the facility.)

This bill authorizes the PUCO to certify up to 2,000 MW of community solar projects, with additional authorization to certify another 1,000 MW of community solar project constructed exclusively on "distressed sites" (with a majority of such projects to be located in the Appalachian region).

A "community solar project" is one that meets all the following:

- It has at least three subscribers, with no subscriber holding more than a 40% proportional interest in the output of the facility;

- Has a nameplate capacity \leq 10 MW (unless the project is located on a “distressed site,” in which case it may have a nameplate capacity of up to 45 MW); and,
- It is located on one or more adjacent or contiguous parcels of land and is not located within 1 mile of solar facilities under the control of the same entity.

The bill defines “distressed site” as contiguous parcels whereby the majority of acreage is: (i) a brownfield under R.C. 122.65; (ii) within NMTC area; or (iii) a closed solid waste facility. Community solar projects located on distressed sites may receive grant funds from ODOD under its new brownfield remediation program (new R.C. 122.6511) for construction and remediation.

The measure has been “paused” in the House Public Utilities Committee after five hearings, at the last of which (May 24, 2022) AEP – Ohio appeared in opposition to the bill.

HB 470 MULTI-FAMILY RESIDENTIAL HOUSING (Hillyer, B.) Introduced on October 27, 2021, this bill seeks to authorize the Ohio community investor credit for qualifying developers of multi-family residential housing projects.

On March 29, 2022, the House Ways & Means Committee had its second hearing on the bill, during which it received proponent testimony from the Ohio Chamber of Commerce.

HB 501 TOWNSHIP LAWS (Hall, T.) Introduced on December 7, 2021, this bill seeks to make various township law changes, specifically to simplify the process by which townships follow to donate unneeded property, and to allow townships to utilize certain Tax Increment Financing (TIF) arrangements (the bill allows townships to engage in “municipal redevelopment”-type TIFs (see R.C. 5709.41).

The measure passed the entire House on June 1, 2022 after being reported out as a substitute version by the House Ways & Means Committee (which stripped out several provisions, leaving only language dealing with donating property, state auditor fraud reporting and the TIF law change).

On December 13, 2022, the Senate Local Government & Elections Committee reported-out an amended substitute version of the bill. And the full Senate approved the measure on December 14; that same day, the House concurred in the Senate’s amended version of the bill. **The bill was signed into law by Governor DeWine on January 5, 2023.**

Changes made in the Senate Committee included:

- Authorizes township trustees to use general funds to support broadband expansion within unincorporated territory of the township that do not receive a grant from the Ohio Residential Broadband Expansion Grant Program, and creates a challenge process for that spending
- Clarifies that townships, counties, and municipalities can regulate small solar facilities (i.e., with a capacity of less than 50 MW)

In a change of particular relevance to local economic developers, the bill modifies Ohio TIF law to allow townships to fund via TIF revenues for both public improvements and private property improvements (i.e., urban redevelopment TIF under R.C. 5709.41, now to include “a township engaged in redevelopment”).

HB 531 COUNTY PROSECUTOR (Ghanbari, H.) Introduced on January 12, 2022 and subsequently referred to the Committee on Civil Justice, this bill allows a county prosecutor to provide legal services to a metropolitan planning organization, regional transportation planning organization, or regional council of governments. Under current law, COGs, MPOs, and regional transportation planning organizations cannot contract with a county prosecutor's office for legal services. Under this bill, county prosecutors could recuperate costs of service via prior, agreed to legal fees paid by the contracting entities; such agreements are not required.

The Committee held hearings on the measure in February 2022 and received proponent testimony from the TMACOG, CCAO, and the Ohio Prosecuting Attorneys Association. The bill was unanimously approved by the full House on March 9, 2022.

On December 13, 2022, the Senate Local Government & Elections Committee reported-out a slightly amended version of the bill. This measure died in the waning hours of the 134th General Assembly.

HB 560 AFFORDABLE RENTAL HOUSING (Hoops, J. and Pavliga G.) Introduced on February 7, 2022, this bill would authorize a nonrefundable tax credit through 2027 for the construction or rehabilitation of certain affordable rental housing units. The bill would authorize OHFA to reserve a tax credit for the owners of a qualified, low-income building in addition to the federal low-income tax credit.

On December 1, 2022, this measure had its third hearing before the House Families, Aging & Human Services Committee.

HB 566 VACANT PROPERTY (Blackshear, W. and White, A.) Introduced on February 9, 2022, this bill would require owners of vacant property to file contact information with the county auditor.

The measure had its first hearing before the House State & Local Government Committee on May 10, 2022.

HB 587 LEAD ABATEMENT EXPENSES (Jarrells, D. and Patton, T.) Introduced on March 2, 2022, this bill would make available a total of \$500MM for lead abatement programming to include: \$250MM for the Lead Poisoning Prevention Fund (child lead poisoning prevention); \$60MM to a refundable Lead abatement Tax Credit; and \$100MM to ODOD to increase the lead-safety workforce.

On November 15, 2022, the Finance Committee held its first hearing to receive sponsor testimony.

HB 599 ENTERTAINMENT TECHNOLOGY INITIATIVE (Lanese, L. Carruthers, S.) Introduced on March 15, 2022, this bill seeks to enact the Entertainment Technology Initiative, authorizing a refundable income tax credit for certain entertainment technology companies engaged in postproduction and digital distribution services.

On April 5, 2022, the House Ways & Means Committee conducted its first hearing on the bill.

HB 610 MAJOR AIR HUB COUNCIL (Loychik, M. Pavliga, G.) Introduced on March 29, 2022, this bill creates the Major Air Hub Council, requires said Council to construct two commercial service airports, one in Fayette County and one in Portage County, and creates the Southern Ohio Airport Authority and the Northern Ohio Airport Authority to operate each respective airport.

HB 646 PACE LOANS (Cutrona A, Roemer B) Introduced on May 11, 2022, this bill pertains to *residential* property assessed clean energy (PACE) loans. Specifically, to erect guardrails around offering clean energy financing to residential homeowners, as related to the priority status of PACE tax liens and commercial lender consent requirements; the bill renders PACE financing liens subordinate to first mortgages and allows commercial lenders to have veto power.

This bill had its fourth hearing in the House Civil Justice Committee on November 29, 2022.

HB 654 PUBLIC RECORDS (Ingram, C.) Introduced on May 12, 2022, this bill would establish that records kept by JobsOhio are public records subject to inspection and copying under Ohio Public Records Law and to require all meetings of the JobsOhio Board of Directors to be open to the public, except when in an executive session.

On November 29, 2022, the House Civil Justice Committee heard sponsor testimony.

HB 658 PUBLIC RECORDS (Ingram, C.) Introduced on May 12, 2022, this will would require the award of attorney's fees to an aggrieved person if a court of appeals determines in an appeal by a public office from a Court of Claims order that the public office denied the person access to public records in violation of the Public Records Law.

On November 29, 2022, the House Civil Justice Committee heard sponsor testimony.

HB 685 NATURAL GAS PIPELINES (Edwards, J. Cross, J.) Introduced on May 25, 2022, this bill authorizes the creation of areas within which tax and other incentives are available to encourage the development of natural gas pipelines and other infrastructure. Specifically, the bill allows county, city or township governments to request ODOD to designate all or a portion of the territory as an EnergizeOhio Zone; the ODOD Director can grant such designations for five years upon determining a deficiency of natural gas infrastructure that has adversely affected economic development conditions or economic growth. Incentives available: true value of new natural gas property, located withing such an EnergizeOhio Zone, is reduced by 75% for 10 years.

The bill is being championed by the Ohio Gas Access Partnership, which is comprised by Union, Madison and Logan counties, as well as several other counties, businesses, and smaller gas companies.

On December 13, the House Energy & Natural Resources Committee held its second hearing.

HB 687 INTEL TAX BILL (Oelslager, S.) Introduced on May 31, 2022, this bill initially contained the **Ohio General Assembly's authorization for significant financial incentives to support the Intel project location in Licking County**. On June 1, the measure was rewritten to serve as the state's capital appropriations for State Fiscal Year (SFY) 2023 and SFY 2024. Note the companion bill in the upper chamber (SB 343).

On June 1, the bill cleared the House by a vote of 82-8; it then passed the Senate with unanimous approval. **The measure was signed into law on June 14 by Governor DeWine.**

Interestingly, the bill permits Ohio OBM to pay up to \$3B in cash – from the State's General Revenue Fund – instead of issuing debt to pay for the appropriated capital projects. This follows the agency's projections that the state's GRF revenues are currently running 12% over estimates for the year. The

State also directed approx. \$600MM from other cash sources, including ARPA funds, to pay for the package.

Capital Appropriations Items of Note:

- Most of the appropriated \$3.5B is directed toward K-12 and higher education facilities, OPWC local infrastructure improvements, and state agency building projects:
 - \$608MM in matching funds for K-12 buildings through the Facilities Construction Commission;
 - \$557MM in OPWC money distributed through regional planning districts;
 - \$515MM for Department of Natural Resources projects; and,
 - \$457MM for college and university facilities.
- Approx. \$191MM for local community projects such as arts and recreation initiatives;
- \$50MM in local jail funding

Intel-related Substantive Law Changes:

- Allows *suppliers* of a semiconductor wafer manufacturing megaproject to qualify for megaproject tax incentives, other than enhanced JCTC and CRA, without meeting the payroll and investment thresholds generally required for megaprojects suppliers.
- Provides sales and use tax exemption for building and construction materials incorporated into a manufacturing or R&D facility at a semiconductor wafer manufacturing megaproject site (i.e., for building the Intel Fabs themselves, but not for supplier buildings).
- CAT tax exemptions: (i) modifies existing exclusion for tangible personal property sold by a megaproject *supplier* to a megaproject *operator* for use at a megaproject site; and (ii) new CAT exclusion of gross receipts from the sale of new capital equipment used at the site of a semiconductor wafer manufacturing megaproject, provided the cost of the equipment exceeds \$100MM for the Intel-related supply chain.

Intel-related Appropriation Items:

The bill appropriates a total \$1.096B to the following amounts during State Fiscal Year 2022 to Intel as a “megaproject operator”:

- From the State’s General Revenue Fund: \$95MM for local roadwork construction; and \$600MM in an Ohio Onshoring Incentive grant; and,
- From the State’s dedicated-purpose funds: \$101.2MM for local water and sewer construction; and \$300MM for water reclamation (i.e., on-site water plant).

HB 698 EMINENT DOMAIN (Kick, D., Creech, R.) Introduced on June 7, 2022, this bill seeks to amend the state’s law regarding eminent domain, making the process in Ohio easier for landowners to receive compensation for property taken by local or state governments.

Current law requires a landowner to sue and then embark on a *separate* eminent domain challenge process to show - through clear and convincing evidence - the government entity that seized property failed to follow Ohio law.

This measure instead streamlines eminent domain challenges into a single court by adopting an "inverse condemnation" approach. Here, a court would determine whether the owner is owed compensation and, if yes, the same court would hear the trial to set the amount owed.

Among the bill's specific changes, it denotes "public use" under Ohio's eminent domain law does not include the use of property for *recreational trails* (i.e., trails used for hiking, bicycling, horseback riding, ski touring, canoeing, or other nonmotorized forms of recreational travel).