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## **134<sup>TH</sup> GENERAL ASSEMBLY – OHIO SENATE PROPOSED & ENACTED LEGISLATION**

The following report describes the final status of House legislation during the 134<sup>th</sup> General Assembly, which concluded on Dec. 31, 2022. Any unfinished legislation described below would need to be reintroduced during the 135<sup>th</sup> 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.

### **SENATE RESOLUTIONS:**

SJR 2 WATER QUALITY BONDS (Gavarone, T., Yuko, K.) This Resolution proposes to enact Section 2t of Article VIII of the Ohio Constitution to permit the issuance of general obligation bonds to fund clean water improvements.

### **SENATE BILLS:**

SB 8 BROADBAND SERVICES (McColley, R.) Introduced on January 21, 2021, this bill addresses broadband expansion, including access to electric cooperative easements and facilities, and to make an appropriation. Note the companion HB 2 in the lower chamber, which has been signed into law by Governor DeWine.

This bill is a refresh of House Bill 13 (133rd General Assembly), which failed in the final stretch to enactment during the lame duck last session. Sponsor Sen. Rob McColley (R-Napoleon) notes this version represents a negotiated substitute bill that had been poised for adoption last December.

This bill seeks to establish an Ohio Residential Broadband Expansion Program (R.C. 122.40 et seq.) to induce internet providers to construct last-mile infrastructure to underserved areas, particularly in rural Ohio. Changes since the last General Assembly's version include moving the program to ODOD, with the agency reviewing grant applications for the proposed Broadband Expansion Program Authority.

This Senate vehicle appropriates \$20MM to the ODOD program in state fiscal year 2022.

After three hearings before the Senate Energy & Public Utilities Committee during late January and February, the Senate unanimously adopted the measure on February 10; it now moves to the House, where it has been referred to the House Finance Committee.

SB 10 ELECTRIC RATES (Romanchuk, M.). This bill seeks to change to two (2) FirstEnergy-friendly rate provisions: (a) repealing HB 6's so-called "decoupling mechanism" that allowed FirstEnergy to lock its annual guaranteed revenue at 2018 levels – or \$978MM/year; and (b) repealing the prior state budget bill's modification to the significantly excessive earnings test (or SEET) determination as to whether FirstEnergy utilities obtained significantly excessive earnings that must be refunded (the budget bill had allowed FirstEnergy to combine figures across its three companies, offsetting gains at Ohio Edison with those from less profitable companies under its umbrella). Note the companion HB 128 in the lower chamber. This legislation leaves unchanged HB 6's nuclear subsidies for the FirstEnergy power plants.

During February, the Senate Energy & Public Utilities Committee held three hearings, with the Senate unanimously passing the bill on February 17. The bill has been referred to the House Public Utilities Committee.

SB 13 CONTRACT LIMITATIONS (Lang, G.). This bill shortens the period of limitations for actions upon a contract; makes changes to the borrowing statute pertaining to applicable periods of limitations; and establish a statute of repose for a legal malpractice actions. Note the companion HB 53 in the lower chamber. The bill was heard and reported out by the Senate Judiciary Committee in early February, passed the Senate by unanimous vote on February 3, and passed the House by unanimous vote on February 24. **The measure was signed into law by Governor DeWine on March 16.**

SB 19 TAX EXEMPTION (Schaffer, T.) Introduced on January 26, this bill establishes a property tax exemption for certain property used for wetland mitigation projects. Specifically, this legislation codifies into law a current practice for property used in wetland mitigation projects used by nonprofit organizations. Bill sponsor, Sen. Tim Schaffer (R-Lancaster), noted, "If counties decide that they can charge property taxes on these wetlands, we would drastically hurt development that would normally occur in our districts,"

After the Senate Ways & Means Committee quickly reported out the measure, the Senate unanimously passed the bill on February 24.

The House passed the measure on June 28 (by a 59-36 vote), with amendments to reflect minor changes in this tax exemption's application filing process. Importantly, during its passage, the bill became an omnibus tax policy update, with changes including an imposition of limits on tax revenue options available to the Toledo Area Regional Transit Authority (TARTA). Relevant to economic developers, the measure also included language from HB 51's proposed process by which county auditors could initiate themselves (i.e., without need for property owner's application) any changes to taxable value arising from destroyed / damaged property.

On November 10, the Senate declined to accept the House-passed version; in turn, on November 18, the House formally insisted the Senate accept the lower chamber's amendments. On February 8, 2022 conferees were named to reconcile differences between the two versions.

SB 32 CHARGING STATIONS (Rulli, M.) This bill would require the Director of ODOT to establish an electric vehicle charging station grant rebate program and to make an appropriation. Note the companion HB 47 in the lower chamber. This measure had its first hearing before the Senate Transportation Committee on February 17, 2021.

SB 33 EDUCATION SAVINGS PLANS (Hottinger, Brenner) Ostensibly introduced in September 2021 to expand the income tax deduction for Ohio's 529 education savings plans, this bill was amended in waning hours of the 134<sup>th</sup> General Assembly by the House Ways & Means Committee to **include HB 123's changes to Ohio's CRA law**. The measure passed the entire House on December 14, 2022; the Senate concurred in the House amendments that same day. **This measure was signed into law by Governor DeWine on January 2, 2023.**

Changes inserted into this late-moving legislative vehicle included:

- Mandating that ODOD develop a model CRA agreement, which may (or may not) be used by jurisdictions, and in so doing striking the required terms and conditions previously set forth under CRA law for commercial or industrial CRA agreements;
- Eliminating the requirement for ODOD to approve proposed CRAs, with mere notice of legislation and a map of the CRA to be provided to ODOD;
- Eliminating the requirement to provide notice to ODOD whenever zoning restrictions change within a CRA;
- Changing the required information to be submitted in March 31 annual reports to ODOD;
- Mandating that ODOD create and annually update a list and map of all CRAs in Ohio, including any CRA agreements executed therein;
- Changing from 5 years, to 2, the time period wherein a project owner can relocate from one CRA to another CRA;
- Increasing CRA exemption thresholds in commercial or industrial projects requiring school district approval, from 50% to 75%;
- Changes the requirement that municipalities that impose an income tax share such revenue with school districts to capture only those instances in which payroll from new employees is greater than \$2MM/year, adjusted for inflation (compare current law: \$1M); and,
- Permitting limited home rule townships to designate their own CRAs, for areas not already included in a CRA designated by the county.

SB 44 ENERGY LAW (Rulli, M., Cirino, J.) Introduced on February 2, 2021, this bill seeks to repeal the nuclear resource credit payment provisions, and amend, and rename as solar resource, the renewable resource credit payment provisions of H.B. 6 of the 133rd General Assembly. Note the companion SB 128 in the lower chamber.

Sponsors Sen. Jerry Cirino (R-Kirtland) and Sen. Michael Rulli (R-Salem) note their proposal takes a more targeted approach to addressing the ongoing uncertainty over the future of last session's HB 6. Specifically, this bill repeals the nuclear subsidies program portion of HB 6 while maintaining previous bill's \$20MM in annual solar subsidies. All other aspects of HB6 would remain in place. By design, Sen. Cirino noted, "It doesn't open up the whole of House Bill 6 for negotiation"; the Senator represents a district in which is located one of the subject nuclear energy plants.

This measure was approved unanimously by the Senate on March 2. It was referred to the House on March 9, 2021.

SB 45 TAX INDUCEMENTS (Peterson, B., Kunze, S.) Introduced on February 2, 2021, this bill seeks to enhance state and local tax inducements for businesses making substantial fixed asset and employment investments and their suppliers. The measure had its third hearing before the Senate Ways & Means Committee on February 23.

SB 52 WIND FARMS (Reineke, B., McColley, R.) Introduced February 9, 2021, this bill requires inclusion of safety specifications in wind farm certificate applications, modifies wind turbine setbacks, and permits a township referendum vote on certain wind farm and solar facility certificates. Note the companion HB 118 in the lower chamber.

This bill, allowing for local prohibitions on wind turbine and solar projects, gained and lost various provisions during its journey to enactment. (Those fits and starts appear in prior months' Bricker reports.)

**Governor DeWine signed the bill into law on July 12, 2021.** The final enacted version had the following key elements:

- A renewable energy developer must hold a public meeting in the proposed impacted community within six months prior to submitting a project application to the Ohio Power Siting Board. During the public hearing, the developer must provide county commissioners with project documentation, including maximum nameplate capacity and its proposed boundaries. Thereafter, county commissioners would have a 90-day window in which to: (i) do nothing (i.e., de facto approval); (ii) pass a resolution banning the project outright; or (iii) pass a resolution limiting the geographic area of the project.
- County commissioners are authorized to pass a resolution prior to any potential project to designate a restricted area in which any such construction is *prohibited*. Further, county commissioners must provide public notice to taxing entities in effected areas of a pending vote to designate a restricted area.
- Creates two (2) new ad-hoc voting seats on the Ohio Power Siting Board when voting on such projects (the new seats would be occupied, on a case-by-case basis, by a county commissioner and township trustee from areas within the footprint of the project being voted on). These ad hoc members are *voting* members, and must be named within 30 days after receiving notice of an application. The ad hoc OPSB members must be either a resident or another elected official from the respective political subdivision. These ad hoc members are prohibited from voting on their own commissioners / trustees boards as to local legislation to intervene on the state proceeding. These ad hoc members may engage in *ex parte* communications with any party in the case.
- The bill applies its provisions to “material amendments” to an existing facility, which is defined as changes to a facility’s generation type, increased nameplate capacity, modified boundaries in most cases, or increased number or height of wind turbines.
- Applies current law to economically significant or large wind farms that have incomplete applications pending with the Siting Board for up to 30 days after this bill’s effective date.

SB 57 EXEMPT CERTAIN HOUSING FROM PROPERTY TAXATION (Hackett R., Antonio N.) Introduced on February 9, 2021, this bill modifies the law regarding property tax exemptions and procedures and to authorize COVID-19-related property tax valuation complaints.

Of particular note to economic developers, the bill includes language regarding TIF annual service payments in lieu of taxes (i.e., PILOTs), namely: a change to R.C. 5709.91 to render *minimum service payments* by developers as covenants running with the land (and therefore enforceable against subsequent owners), to be recorded with the county recorder, in those TIF projects in which developers agree to make minimum service payments under the terms of their development agreements.

The Senate unanimously passed the measure on February 24, 2021. And on March 25, following changes to the bill in the House the House likewise unanimously passed the bill and sent it back to the Senate. On April 21, the Senate unanimously concurred with the House’s changes to the measure, and **Governor DeWine signed the measure into law on April 27, 2021.**

SB 61 PLANNED COMMUNITIES (Blessing, L., Antonio, N.) Introduced on February 17, 2021, this bill concerns condominiums and planned community properties and seeks to make changes to the New Community Law (R.C. Chapter 349).

This measure had its fourth hearing on October 19 in the Senate Local Government & Elections Committee, during which two amendments were accepted: (i) *removing proposed changes to the New Community Authority law (R.C. Chapter 349)* (already enacted in the state operating budget (HB 110)); and (ii) enabling condo boards and HOAs to more easily delete – as void under the law – restrictive covenants based on race, color, national origin, sex, religion, or familial status. The bill also allows the use of solar energy collection devices, such as solar panels, within HOAs and planned communities.

On January 26, 2022 the Senate passed the bill on a vote of 32 to 1.

The House approved the bill on May 25, 2022, after the House Civil Justice Committee amended the bill to change the dates - from Dec. 31, 2021 to Dec. 31, 2024 - when a new community authority must be established for a developer with a 99-year renewable lease to satisfy one of three criteria to qualify under Revised Code Chapter 349's New Community Law.

**The measure was signed into law by Governor DeWine on June 14, 2022.**

SB 83 BROWNFIELD SITES (Williams, S., Rulli, M.) Introduced on February 23, 2021, this bill seeks to require OEPA to conduct a study to determine where brownfield sites are located in Ohio and to make an appropriation. Specifically, the measure appropriates \$150,000 from State GRF for an OEPA study of brownfield sites, with support from universities, to fill in the gaps in the current inventory program (which relies on voluntary reporting). The bill's deadline for OEPA would be January 1, 2023.

The sponsors estimated there are approximately 9,000 such brownfield sites in existence in Ohio, but there is no single complete listing.

On May 19, 2021, the bill was passed unanimously by the Senate.

The bill had its fifth hearing in the House Agriculture & Conservation Committee on December 7, 2021, during which the Committee reported out a revised version of the bill. The bill was changed in direct response to Ohio EPA's testimony to the Committee regarding a lawsuit in the early 2000s, when the agency was sued regarding its "master sites list" at the time. The suit arose from complaints as to the list's effect on property values, and a court found OEPA did not have the authority to keep such a list (thereby explaining the current *voluntary* nature of the state's brownfields listing).

As such, the Committee's reported-out version of the bill appropriates \$150,000 to fund Phase I environmental assessments, which run between \$5,000 - \$8,000/site, which, upon completion, such assessments would provide brownfield sites' entry into Ohio EPA's Voluntary Action Program. This level of funding is estimated to provide up to 28 such site assessments.

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

This measure had its first hearing on March 16 in the Senate Agriculture & Natural Resources Committee, during which joint sponsor testimony from Sen. Michael Rulli (R-Salem) and Sen. Sandra Williams (D-Cleveland). Outlining their bill, the sponsors noted this measure would re-fund the Clean Ohio Revitalization Fund for cleanup of the sites identified under SB 83 (above), by directing excess liquor

profits received from JobsOhio and pledging them for Clean Ohio bonds. Sponsors noted during the period 2002 through 2013, CORF provided \$400MM in grant assistance for brownfield site redevelopment.

**Note the General Assembly addressed this matter via the Brownfield Remediation Program (\$350MM) inserted into the state's biennial budget, HB 110 (described above), signed into law on June 30, 2021.**

SB 97 MUNICIPAL TAXES (Roegner, K.) Introduced on February 25, 2021, this bill seeks to modify municipal income tax employer withholding rules for COVID-19-related work-from-home employees. Note the similar bill in the lower chamber (HB 157). This bill had its first hearing in the Senate Ways & Means Committee on May 12.

SB 98 TAX EXEMPTION (Antani, N.) Introduced on February 24, 2021, this measure seeks to exempt from sales and use tax things used primarily to move completed manufactured products or general merchandise, such as forklifts. The bill had its first hearing in the Senate Ways & Means Committee on September 21, with sponsor testimony heard from Sen. Antani (R – Miamisburg).

SB 108 BUSINESS GRANTS (Huffman, S., Romanchuk, M.) Introduced on March 2, 2021, this bill would provide \$100MM in grants to bars and restaurants and \$25MM to the lodging industry and make such appropriations. Note the companion HB 169 in the lower chamber.

On March 17, the Senate unanimously passed this spending proposal; the House Economic & Workforce Committee referred the bill in late April to the House Finance Committee, the latter of which reported out the measure on May 5. Later that same day, the House passed the bill on a 93-1 vote (the Senate concurred unanimously), and **the bill was signed into law by the Governor on May 17, 2021.**

SB 109 GRANT PROGRAM (Manning, N., Rulli, M.) Introduced on March 2, 2021, this bill would provide \$300MM in grants to small businesses, child care providers, and indoor entertainment venues and make such appropriations. Note the companion HB 168 in the lower chamber, which was signed into law as a completely rewritten measure. On March 16, at its second hearing, this bill was reported out of the Senate Finance Committee and on March 17, the Senate unanimously passed this spending proposal; the House Economic & Workforce Committee referred the bill in late April to the House Finance Committee. In turn, the House Finance Committee changed the bill: for entertainment venue (\$20MM/SFY 2021) and new business (\$10MM/SFY 2021) grant programs administered by ODOD, the source of funding replaced the General Revenue Fund with federal the State's Coronavirus Relief Fund.

The bill includes \$150MM to the ODOD to provide grants to eligible small businesses which did not receive COVID-19 relief funding in 2020.

The Committee reported out the measure on May 5. Later that same day, the House passed the bill on a 89-2 vote (the Senate concurred unanimously), and **the bill was signed into law by the Governor on May 17, 2021.**

SB 111 LOCAL FISCAL RECOVERY (Blessing, L., Brenner, A.) Introduced on March 2, 2021, this bill originally sought to provide funding to schools in response to the COVID-19 pandemic. In its original form, the bill passed the Senate by unanimous vote on March 24. Those provisions were enacted into law via its companion HB 170.

On **June 22**, the House Finance Committee used this measure as the vehicle to appropriate \$422MM of ARPA Local Fiscal Recovery Funds, representing the first slug received in late May by the State from the U.S. Treasury. The appropriations are to distribute federal stimulus to *nonentitlement units of local government* (NEUs), or those non-metro cities with less than 50,000 population which did not receive Local Fiscal Recovery Funds directly from the U.S. Treasury (compare: counties and metro cities).

Importantly, the Committee included townships as NEUs in its appropriations of Local Fiscal Recovery Funds.

The Local Fiscal Recovery Funds will be distributed via Ohio OBM to non-metro cities, incorporated villages and townships based on population.

(In late May, the U.S Treasury instructed those states with “minor civil divisions,” or townships in Ohio’s instance, to undertake a facts-and-circumstances test to determine whether such entities have the legal and operational capacity to stand as NEUs in accepting Local Fiscal Recovery Fund allocations and provide a broad enough range of services that would constitute eligible uses of such funds. Bricker had expected the DeWine Administration, through the Ohio OBM, to make such a factual determination; with this measure, the Ohio General Assembly legislatively determined that townships are eligible to receive ARPA stimulus funding.)

The Committee accepted the re-written measure, with the House passing the bill on **June 24** by a 60-34 vote (with a last-minute floor amendment to prohibit public and private entities from requiring COVID-19 vaccinations). **Note the provisions of this rewritten measure were inserted into HB 168, which was signed into law.**

SB 112 TAX FORECLOSURES (Dolan, M.) Introduced on March 2, 2021, this bill seeks to make changes to the law relating to tax foreclosures and county land reutilization corporations. The bill’s provisions fall into two broad categories: clean-up and clarification, or elimination, of surplus language; and cost savings and transactional support to county land banks that are revenue neutral. Of particular note, the bill sets forth new R.C. 5723.20, which removes liability from county governments for receiving forfeited property that has existing environmental contamination.

This measure is a re-introduction of the county land bank law changes proposed in August 2020 under companion bills in the previous Ohio General Assembly (HB 755 and SB 356).

Note the companion HB 241 in the lower chamber.

As was the case with the previously introduced bills, SB 112 seeks to make large-scale changes to county land banking law (R.C. Chapter 5722) and the law relating to tax foreclosures (R.C. Chapter 323). This measure was written in coordination with the Cuyahoga County Land Bank and other land bank leaders in Ohio.

During sponsor testimony on March 16 in the Senate Local Government & Elections Committee, Sen. Matt Dolan (R-Chagrin Falls) described his bill as a modernization of land banking in Ohio. Land banking statutes in Ohio were last updated in 2015 by removing population requirements first put in place in 2009, thus making all counties eligible to form county land banks. At present, 61 counties have established land banks across Ohio.

The measure had its third hearing on October 19, during which an amendment was accepted, making the following changes to the bill: (i) requires a county land bank's annual report to include DTAC collection information and the county land bank's financial position; (ii) clarifies "nonproductive land" must only be offered for sale once; (iii) changes the timeframe for appeals under the expedited tax foreclosure process from 14 to 30 days; (iv) reinstates existing law provision requiring property transfer fees to be paid to the county recorder for the transfer and recording of a deed; and (v) clarifies both "nonproductive" and "abandoned lands" that are foreclosed will forfeit to the state if not sold upon first sale.

In a fourth hearing on January 26, 2022, the Committee accepted two amendments and unanimously reported a substitute version of the bill to the full Senate. The first amendment was a technical amendment offered by the Legislative Service Commission, while the second removed a provision which would have exempted county land banks from being considered a "public authority" pursuant to R.C. Chapter 4115 (i.e., wages and hours on public works).

The Senate passed the measure unanimously on February 9, 2022.

On Dec 14, 2022, the House Ways & Means Committee held its fourth hearing on the measure. Chairman Rep. Derek Merrin (R-Monclova Twp.) submitted a substitute version of the bill, stating the new version incorporates roughly one-half of the Ohio Land Bank Association's requested law changes.

Among the changes in the substitute version of the bill:

- Prohibits a BOR member, who is also a land bank board member, from participating in, or rendering a decision on, any case concerning property owned by the land bank. Such a BOR member must appoint a different county official to serve in that member's place for such cases.
- Abandoned or nonproductive land acquired via direct transfer (without appraisal and sale) by a political subdivision in a tax foreclosure proceeding – which had been pursued in the same manner as mortgage liens are foreclosed or under the Delinquent Lands Law – is acquired free and clear of all liens for taxes, penalties, interest, charges, assessments, and all other liens and encumbrances, except for easements and covenants of record running with the land and created before the taxes or assessments that led to foreclosure and transfer to the political subdivision.
- Narrows existing law as to the proceeds of a judicial sale (in actions are not tax foreclosures brought on behalf of the county treasurer). Under current law, the proceeds of the foreclosure sale need not be used to pay taxes and related charges if the purchaser is a county land bank which is also the judgment creditor; the taxes and related charges are instead deemed satisfied and extinguished. The substitute bill narrows the provision's application by excluding tax certificate foreclosure proceedings brought by the certificate holder or a foreclosure of a receiver's lien brought by a receiver.
- Requires county recorders to record copies of entries ordering forfeiture in tax foreclosure proceedings, even if not certified copies. Current law requires a certified copy.
- Requires the county auditor to add the amount of taxes and related amounts that would have become due on forfeited land had it not been forfeited when a former owner redeems the land



(i.e., pays the amounts due and regains ownership), and sets the payment date for the added amounts as the first date for payment of taxes following the redemption.

- Expands an existing provision of law that shields county land banks from liability under various environmental laws and regulations to apply to their wholly owned subsidiaries.

This bill died in the waning hours of the 134<sup>th</sup> General Assembly.

SB 144 CONSUMER PROTECTIONS (Rulli, M., Williams, S.) Introduced on March 23, this bill would enact the Consumer Protection Call Center Act which would require notices by employers relocating a call center to a foreign country and would disqualify those same employers, upon their relocation, from receiving state grants, loans, tax credits and other incentives for five years. The Senate Finance Committee held its first hearing on the measure on Sept. 14, during which its sponsor, Sen. Michael Rulli (R-Salem), stated it is aimed at discouraging firms from relocating call center jobs overseas.

The Committee held its second hearing on the measure on February 8, 2022 during which members of the Communications Workers of America (CWA) spoke in favor of the bill.

SB 152 TASK FORCE ESTABLISHMENT (Hoagland, F.) Introduced on April 6, 2021, this bill would establish the Fraud, Waste, and Abuse Task Force in the office of the Attorney General. This 10-person office would investigate instances of fraud by entities applying for public funds, including grants.

The bill had its first hearing in the Senate Finance Committee on November 9, during which sponsor Sen. Frank Hoagland (R-Mingo Junction) stated his intention that the task force investigate cases of fraud or abuse of public funds obtained from Ohio by private individuals or entities (e.g., economic development programs). The Senator noted, "Any person would be able to file a complaint with the Task Force alleging any of the potential offenses." The Senator further acknowledged other entities currently provide such oversight, including the Ohio Ethics Commission Track, Joint Legislative Ethics Committee Track and Inspector General.

SB 166 VOCATIONAL SCHOOLS-COMMUNITY REINVESTMENT AREAS (Reineke, W.) Introduced on April 21, 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 lower chamber (HB 303).*

This measure unanimously passed the Senate on June 16, 2021. The bill had three hearings in the House Economic & Workforce Development Committee (October – November), and was passed by the House, on an emergency basis and according to an 88-1 vote, on December 9. In turn, the Senate concurred on December 15 with the House's amendments, and **the measure was signed into law on December 22, 2021.**

SB 172 MUNICIPAL CORPORATION (Schaffer, T.) Introduced on May 5, 2021, this bill would require municipal corporations with more than \$100 million in annual income tax collections to provide a tax credit to nonresident taxpayers.

SB 192 PROPERTY TAX (Williams, S.) Introduced on June 1, 2021, this bill would seek to protect legacy homeowners from spikes in their property taxes as surrounding properties redevelop. Specifically, the

bill would reduce property taxes on owner-occupied homes to the extent the taxes increase by more than 10% per year.

The bill had its first hearing in the Senate Ways & Means Committee on December 14 for sponsor testimony. Sen. Sandra Williams (D-Cleveland) stated the measure is targeted at *long-term homeowners*, or those who has lived in their homes for at least 10 years. The bill would address property tax loads increasing “between 100- 300%” in some neighborhoods experiencing redevelopment. The Senator added that she has not seen any initiatives from cities or counties to address the issue.

SB 212 FORECLOSURES (Hackett, B.) Introduced on July 27, 2021, this bill seeks to make procedural changes to real property foreclosures under R.C. Chapter 2329 (i.e., judicial sales, sheriffs’ sales, etc.). This bill had its first hearing in the Senate Judiciary Committee on Sept. 14, during which sponsor testimony was provided by Sen. Bob Hackett (R-London).

SB 225 TAX CREDITS (Schuring, K.) Introduced in September 2021, this measure makes temporary modifications of Ohio’s historic rehabilitation and the opportunity zone investment tax credits.

The cause for this bill’s introduction was Sen. Schuring’s interactions with developers who advised him Ohio could do more to improve the Historic Preservation Tax Credit’s use and that the state’s Opportunity Zone Tax Credit has been underutilized because of delays in regulations at the federal level.

Incentives law changes under the bill, if signed into law, will apply for State Fiscal Years 2023 and 2024 as follows:

#### Historic Preservation Tax Credit (HPTC) program:

- Allow developers who were approved by the Department of Development (ODOD) for historic rehabilitation tax credits in Fiscal Year 2021 to reapply for enhanced credits if their projects have not yet gone to construction.
- Align the state preservation tax credit guidelines with those for the federal preservation tax credit.
- Increase the HPTC aggregate cap from \$60MM/year to \$120MM/year.
- Increase each project cap from \$5MM to \$10MM.
- Increase tax credit thresholds for municipalities, counties or townships with fewer than 300,000 people from 25% to 35%.
- Require the ODOD when reviewing a proposed project involving a historic theater to consider how the effort would affect gross receipts and economic conditions in the vicinity.

#### Ohio Opportunity Zone Tax Credit program:

- Establish an additional time period for Opportunity Zone Tax Credit applications, and allow holders of OZ credits to transfer those credits.
- Increase the amount of funds available from \$50MM to \$100MM.

#### Tax Increment Financing:

- In final work on the bill in February 2022, the Senate amended the measure to clarify the timing of local governments’ TIF legislation pertaining to the use of TIF funds for off-street parking facilities, including those with reserved spaces (i.e., nonpublic), and to value being created or on a parcel-by-parcel basis, once improvements are made.

**The bill was signed into law by Governor DeWine on June 14.**

SB 260 POLITICAL SUBDIVISION (Lang, G.) Introduced on November 9, 2021, this bill seeks to expand political subdivision joint purchasing authority to expressly include purchases for construction services.

On November 15, the Senate Local Government & Elections Committee held its fourth hearing, during which the bill was amended to specify that “construction services” do not include professional design services, such as those provided by an architect, landscape architect, professional engineer or surveyor.

SB 277 MOTOR FUEL EXCISE TAX (Huffman, S.) Introduced on December 14, 2022, the measure would temporarily reduce motor fuel excise tax rates and suspend collection of the additional motor vehicle registration taxes on hybrid vehicles, both for five years. The measure received its first hearing on February 16, 2022.

SB 291 VETERAN BUSINESS ENTERPRISES (Hoagland, F.) Introduced on February 8, 2022, this bill would establish a veteran-owned business enterprise certification program and allow duly certified veteran-owned and women-owned business enterprises to compete for purchases set aside by state agencies.

During March and April 2022, the Senate Small Business & Economic Opportunity Committee held hearings on the bill, with the last such hearing on April 6, during which VFW Charities offered proponent testimony in support of the 92,000 small businesses owned by veterans across Ohio.

SB 297 NONPROFIT MANAGEMENT AND OPERATIONS (Schaffer, T.) Introduced on February 15, 2022, this bill would authorize tax incentives relating to nonprofit management and operations.

During March 2022, the Senate Ways & Means Committee held hearings on the bill, with the last such hearing on March 15.

SB 307 ELECTRIC VEHICLES (Rulli, M.) Introduced on March 2, 2022, this bill seeks to authorize incentives for the manufacture and use of electric vehicles (EVs). Specifically, the bill would provide \$7MM in funds for related workforce development and factory retooling; encourage growth in the Ohio EV market through fleet and consumer vehicle incentives; invest in EV charging infrastructure; and create a state EV task force and electrification plan. The bill is estimated to result in \$50MM to \$75MM/year in new tax expenditures (i.e., foregone tax revenue) related to proposed sales tax exemptions for retail sale or lease of certain electric vehicles.

On December 6, 2022, the bill was heard for the fifth time by the Senate Energy & Public Utilities Committee, during which elements of a draft substitute version, not yet accepted by the Committee, were discussed.

SB 329 PROPERTY TAX (Schuring, K.) Introduced on April 27, 2022, this bill makes changes to CRA law to authorize political subdivisions to establish Neighborhood Development Areas within their boundaries within which certain residential property is wholly or partially exempted from property taxation.

On November 15, the Finance Committee held its first hearing for sponsor testimony. Sen. Kirk Schuring (R-Canton) said the measure would "establish a tool for municipalities and townships to address housing

shortages by incentivizing affordable and workforce housing through new home construction and home improvement."

The NDA property tax exemptions would be 100% with local school board approval (70% without such approval); existing owner-occupied dwellings would receive 5-year exemptions for improvements  $\geq$ \$5,000; in new home construction, the homebuilder would receive an exemption during the period from commencement of construction until the new home is sold, with the new home owner subsequently receiving a 10-year exemption.

SB 334 FORECLOSURE PURCHASE BIDDING RIGHTS (Blessing III L.) Introduced on May 10, 2022, this bill grants tenants and certain other eligible bidders rights relating to the purchase of residential property sold at foreclosure.

On December 6, the bill had its first hearing in the Senate General Government Budget Committee for sponsor testimony, during which Sen. Louis Blessing (R-Cincinnati) said the bill seeks to prevent institutional investors from purchasing foreclosed homes by "the truckload." He said the bill is modeled after a 2020 California law that remedies situations in which large-scale investors were purchasing homes and renting them at the highest possible rates. Instead, would-be owner-occupants would have the ability to match institutional investors' winning bids and secure the homes for themselves. Such buyers would have to declare – under penalty of perjury – that they would occupy the home.

SB 341 FILM AND THEATER INDUSTRIES (Schuring, K.) Introduced on May 24, 2022, this bill seeks to modify the film and theater tax credit and to authorize a tax credit for capital improvement projects relating to the film and theater industries.

SB 343 CAPITAL APPROPRIATIONS (Dolan, M.) Introduced on May 24, 2022, this was the Senate's companion to the capital bill running parallel in the lower chamber (HB 687), the latter of which was signed into law on June 14, 2022. Our bill analysis appears in relation to that latter measure.

SB 344 COMMUNITY REVITALIZATION PROGRAM (Schuring, K.) Introduced on May 24, 2022, this bill creates the Ohio Community Revitalization Program, authorizing *nonrefundable* income tax credits for undertaking community projects.

SB 349 PROPERTY TRANSFER TAX (Schuring, K.) Introduced on June 1, 2022, this bill allows local governments to levy a real property transfer tax for the benefit of a land bank.

SB 354 FORECLOSURE SALES (Blessing, L.) Introduced on July 14, 2022, this bill seeks to restrict owners of rental housing – who themselves owe outstanding fines for building code violations or own housing units that are in active violation of building codes – from bidding on properties in judicial foreclosure sales; the bill also seeks to create the Ohio Housing Study Committee.