

# Government Affairs Committee

December 3, 2014

	Page #
Table of Contents	
Agenda	2
<b>Leadership Documents</b>	
• Counsel's Report	3
• OMA Amicus Brief Program	9
• Public Policy "Hot Topics"	12
• OMA Post Elections Report	15
• Leadership News Articles	20
• Legislation Tracker	31
• Legislative Alert, Steel Pipe Monitoring Program	41
• Governor Kasich Re-Election / Inaugural	42
• OMA Public Policy Framework For Action	47
• OMA Committee Feedback	56
<b>Energy Policy Report</b>	<b>60</b>
• Proposed Power Purchase Agreement Riders	63
<b>Environment Policy Report</b>	<b>77</b>
• Ohio EPA Inspector Rotation Letter	89
• OMA/NAM Ozone Regulations Study	90
• U.S. EPA Ozone Press Release	92
• OMA 111(d) Comments	94
• Ohio EPA 111(d) Comments Talking Points	96
• Ohio EPA 111(d) Executive Summary	98
<b>Human Resources Policy Report</b>	<b>106</b>
• Unemployment Trust Fund Solvency Report	119
<b>Safety &amp; Workers' Compensation Report</b>	<b>123</b>
<b>Tax Policy Report</b>	<b>133</b>
• HB 5 Municipal Income Tax Highlights	151
• OMA Advocacy Center HB 5	152
• OMA HB 5 Testimony	153
• OMA CAT Impact	157

**2015 Government Affairs  
Committee Calendar**  
*Meetings will begin at 9:30 a.m.*

[Wednesday, March 11](#)  
[Wednesday, June 3](#)  
[Wednesday, September 2](#)  
[Wednesday, December 2](#)

**OMA Government Affairs Committee Meeting Sponsor:**



**OMA Government Affairs Committee**  
December 3, 2014



**AGENDA**

**Welcome & Self-Introductions**

**Christopher Hess**, Eaton Corp., OMA Committee Chair

**National Association Reports**

**OMA Counsel's Report**

**Kurt Tunnell**, Managing Partner, Bricker & Eckler, LLP

**Staff Reports**

**Ryan Augsburger**, OMA Staff  
**Rob Brundrett**, OMA Staff  
**Committee Members**

**Discussion / Action Items**

**Member Discussion Encouraged Throughout Meeting**

- **Post-Election Analysis**
- **2016 Presidential Convention(s)**
- **Current Action Alerts**
- **Committee Member Feedback**

**Guest Presentation:**

Governor's Election Analysis and  
New Day Inauguration

**Matt Carle**, 2014 Kasich–Taylor for Ohio Campaign Manager /  
*A New Day Inaugural Committee* Director

**Guest Presentation:**

Senate Priorities

**Larry Obhof** (R – Medina) – Senate Majority Whip

**Lunch**

Government Affairs Committee Meetings in 2014 begin at 9:30 a.m. and conclude by 1:00 p.m. Lunch will be served. Please RSVP to attend meetings by contacting Denise: [dlocke@ohiomfg.com](mailto:dlocke@ohiomfg.com) or (614) 224-5111 or toll free at (800) 662-4463. Indicate if you will be participating in-person or by phone.

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## MEMORANDUM

TO: Ohio Manufacturers' Association Government Affairs  
Committee

FROM: Bricker & Eckler LLP

DATE: December 2, 2014

RE: Government Affairs Committee Report

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### I. 2014 Government Affairs Update - Overview.

Please find below several political and legislative efforts we have been monitoring for the OMA.

### II. 2014 Elections – Governor's Race.

In a landslide year for Republicans, the GOP retained all five statewide offices and control of the Ohio General Assembly. As expected, Governor John Kasich beat challenger Ed FitzGerald 64% to 33%. Governor Kasich won in 86 of Ohio's 88 counties (losing only Monroe and Athens), including FitzGerald's home county of Cuyahoga.

### III. 2014 Elections – Judicial Races.

Supreme Court of Ohio: Justice Sharon Kennedy handily defeated challenger and term-limited State Representative Tom Letson 73% to 27%. Justice Judi French also handily defeated current Cuyahoga County Court of Appeals Judge John O'Donnell (no relation to current Justice Terrence O'Donnell) by a margin of 56% to 44%.

While Justice French ended the Supreme Court "name game" defeating an O'Donnell (currently, an O'Connor, O'Donnell, and O'Neill are Justices of the Ohio Supreme Court), forced age-limit retirements over the next four years for Justices Pfeifer, O'Donnell, Lanzinger, and O'Neill will create four open seats on the Court between the 2016 and 2018 election cycles. Given the nonpartisan nature of judicial elections in Ohio, the costs of statewide elections, and with three soon-to-be-open Republican seats on the Court, the OMA, business interests, generally, and others will need to expend significant resources and attention to ensure the Court maintains the conservative balance we have had now for more than 15 years thereby providing a greater opportunity for a positive business climate in Ohio.

10<sup>th</sup> District Court of Appeals: Incumbent Judge Betsy Luper Schuster defeated former Central Ohio Congresswoman Mary Jo Kilroy (D) – a significant win for Schuster who was appointed to the 10<sup>th</sup> District by Gov. Kasich. Another Kasich appointee, Judge Amy O’Grady lost to former Secretary of State Jennifer Brunner – many expect Brunner will run for one of the open Ohio Supreme Court seats mentioned above. Incumbent Lisa Sadler ran unopposed and Franklin County Court of Common Pleas Judge Timothy Horton will join the 10<sup>th</sup> District Court after running unopposed.

#### IV. Constitution Modernization Commission.

As we have previously reported, the Ohio Constitutional Modernization Commission (“OCMC”), which was created with the passage of H.B. 188, continues its work studying the Constitution of Ohio and is considering changes to update various Constitutional sections and provisions.

Among the provisions garnering debate and attention are those on the topics of school funding, term limits, and redistricting.

School Funding: With respect to school funding and public education, a proposal surfaced in March to require the Ohio legislature to provide the “organization, administration and control of the public school system.” The proposal was criticized by many school groups and advocates of public education. Another proposal suggested the removal of the words “thorough and efficient” which committee members suggested has been used to remove the debate of public education from the legislature to the courtroom.

This change was opposed by Ohio Supreme Court Justice Paul Pfeifer in the November meeting of the Education, Public Institutions, and Local Government Committee of the OCMC, where he stated that he would potentially campaign against a proposal that removes K-12 funding considerations from the Constitution. No timetable has yet been set for a formal proposal on education reform to the legislature, and we anticipate continuing debate on the possible changes both to Ohio system for funding education, as well as educational administration and control.

Term Limits: Possible changes to Ohio’s term limits restrictions have garnered significant debate and dissension among OCMC members and outside groups supporting the current eight-year limits and those groups seeking a possible extension. The committee is currently considering whether that number might be increased to 12 years to allow legislators more time to gain experience while in office before being forced out.

As with education-related reforms, Ohio’s debate on term limits in the 1990s was significant and hard fought. Any change, if any change in the years for term limits might occur, will be the



subject of considerable debate and consideration – and certainly an inevitably (and extremely costly) statewide ballot campaign.

Other Proposals: The Judicial Branch and Administration of Justice Committee is considering a proposal from Senator Larry Obhof (R-Medina) to remove obsolete court-related provisions – including that which would create conciliatory courts. The proposal, which was before voters in 2011 and failed in part because it also included an increase from 70 to 75 years on the maximum age for judges, was framed as a way to “tighten up” the constitution and remove unnecessary provisions that go unutilized.

The Revisions and Updating Committee heard a proposal to make changes to the initiated statute timeline. Proposal sponsors Don McTigue and Maurice Thompson told the Committee that, currently, a constitutional ballot issue is more appealing to petitioners than an initiated statute, and urged the OCMC to consider changes that would steer petitioners towards initiated statutes.

Any recommendations made by the Committees of the Constitutional Modernization Commission must receive a two-thirds vote by the full Commission to become an official recommendation.

#### V. Redistricting.

The OCMC Legislative & Executive Branch Committee has heard presentations from legislators on plans to reform redistricting and reapportionment. S.J.R. 1, sponsored by Senators Frank LaRose (R-Copley) and Senator Tom Sawyer (D-Akron), and H.J.R. 11 and 12, both sponsored by Representative Matt Huffman (R-Lima), all envision redistricting panels, minority party buy-in, and avenues for addressing disagreement – including putting the maps before voters.

All these pieces of legislation are simultaneously going through the legislative process while being considered by the OCMC. H.J.R. 11 and 12 have each received two hearings in the House Policy and Legislative Oversight Committee and H.J.R. 12, which addresses the drawing of General Assembly districts, is scheduled for 3 more hearings the week of December 1. S.J.R. 1 has had 4 hearings in the Senate State Government Oversight & Reform Committee. Like H.J.R. 12, it is scheduled for 3 additional hearings the week of December 1. The number of hearings this week suggests that both the House and Senate may be interested in passing one of these plans before the end of the year, but given the short timeframe left in the 2014 legislative calendar, neither term limits nor redistricting seem likely to pass this year.

#### V. Pending Legislation.

We have been actively monitoring several bills for the OMA. We understand that both H.B. 247 (Automated External Defibrillation) and H.B. 238/S.B. 344 (TiPAC) are set to pass in the lame duck session.

H.B. 225 – Offers of Settlement: (Representative Jim Butler (R-Oakwood)): creates a procedure for settling civil actions between parties and provides for an award of reasonable attorney’s fees and litigation expenses in certain situations in which a judgment is entered against a party that has rejected a settlement offer. The legislation also encourages the Ohio Supreme Court to amend Civil Rule 68 to make it consistent with the bill.

In committee, the Ohio Association for Justice raised opponent concerns that HB 247 would cut off access to courts for small businesses who cannot afford to take a claim to court against a major corporation. A small business or non-profit corporation, they argued, do not have the financial resources to gamble on the outcome of litigation and risk having to pay a large corporation’s legal fees. H.B. 225 has received three hearings in the House Judiciary Committee and remains pending there – no additional movement in lame duck to this point.

H.B. 238 – Transparency in Private Attorney Contracts Act (“TiPAC”): (Representative Jim Butler (R-Oakwood)): H.B. 238 (“TiPAC”) is currently pending in the House Judiciary Committee. The bill includes provisions to prohibit the state from entering into a contingency fee contract with a private attorney unless the Attorney General determines that private representation is cost-effective. The bill sets caps on contingency fees that a private attorney may receive and generally prohibits contingency fees from exceeding \$50 million, except in certain circumstances. A provision creating a preference for Ohio attorneys is included as is a requirement for the Attorney General to submit an annual report to the Senate President and Speaker of the House, describing the use of private attorneys during the preceding fiscal year. The goal of the legislation is to provide accountability and increased transparency in the Attorney General’s office so that the public can better understand when, why, and how public dollars are being used to contract with private sector attorneys.

The bill received seven hearings and, on November 18, was reported favorably out of committee. It is waiting on a vote on the House floor. We understand that this bill is likely to move during the remaining weeks of lame duck session. To keep the issue moving, Senator Bill Seitz introduced a companion bill, SB 344, with hearings taking place simultaneously in the House and Senate.

TiPAC is an initiative supported by various tort reform groups, including the Ohio Alliance for Civil Justice (“OACJ” – of which the OMA is a member), the American Tort Reform Association (“ATRA”), the US Chamber of Commerce, the Institute for Legal Reform, and other business-backed interests dedicated to civil justice reform.

H.B. 247 – Automated External Defibrillation (“AED”): (Representative Jerry Stebelton (R-Lancaster)): H.B. 247 initially to provide that any person may perform automated external defibrillation (“AED”) and that training in AED and cardiopulmonary resuscitation (“CPR”) is recommended but not required.

The bill would extend qualified immunity from civil liability to premises owners and other persons involved with automated external defibrillator placement and use and would also modify the standards that must be met by a person possessing a defibrillator by providing that the person must encourage (rather than require) expected users to successfully complete a course in AED and eliminating a requirement that the person consult with a physician.

However, on May 21, 2014, the Senate Medicaid, Health, & Human Services Committee approved H.B. 247 and included an amendment – with no debate and no notification – modifying the qualified immunity for AED and CPR use and requiring AED owners to undertake “reasonable efforts” to maintain AED devices. By conditioning immunity on a factual question – did the premises owner take “reasonable efforts” to maintain the AED – it will become exceedingly unlikely that a court would dismiss frivolous and unwarranted cases. Thus cases which should be dismissed on summary judgment will remain alive since factual questions most often prevent summary judgment.

The OMA, as a member of the Ohio Alliance for Civil Justice, communicated the significant civil justice concerns to Chairwoman Shannon Jones (R-Springboro) and the Senate Republican leadership and requested that the provision be removed for additional debate and review of the subject.

H.B. 247 was re-referred to the Senate Civil Justice Committee for further consideration. The bill has had one hearing in that committee and is scheduled for a second hearing on December 3<sup>rd</sup>. Committee Chairman Bill Coley (R-Liberty Twp) has said he expects the bill to move soon.

H.B. 317 – False Claims Act: Representative Barbara Sears (R-Sylvania) introduced H.B. 317 as an effort to reform certain aspects of Ohio’s Medicaid system.

Included in H.B. 317 is language providing for an Ohio version of the federal False Claims Act. The OMA and other business groups have battled the False Claims Act over several General Assemblies in that it provides, generally, a private cause of action in “whistleblower” cases for recovery of public dollars allegedly inappropriately used. Provisions relating to false claims include a prohibition against making a false or fraudulent claim for payment or approval, using a false record or statement to make a claim, improperly avoiding or decreasing an obligation to pay or transmit money or property to the state, among other things. In addition to setting out the prohibitions, the legislation also prescribes civil penalties for violations, requires the Attorney General to investigate suspected violations, and allows the Attorney General to bring civil

enforcement actions on behalf of the state. If, however, the Attorney General declines to prosecute a claim, a private action may be commenced giving rise to additional litigation costs, demands, and possible recovery against any private sector entity engaging in business with the State of Ohio.

The bill remains pending in the House Health & Aging Committee and has received one hearing in October 2013.

H.B. 333 – Accessibility Law Violations: Representative Michael Stinziano (D-Columbus) introduced H.B. 333 to set notice requirements of an alleged accessibility law violation prior to filing a civil action. Upon notification of an alleged violation, the business owner or other responsible party has thirty days to respond in one of three ways: stating that improvements will be made to bring the property into compliance; challenge the validity of the alleged violation; or state that the violations have already been corrected and provide supporting evidence. The intent of the legislation is to provide notice prior to a lawsuit being filed and allow a responsible party to bring the property into compliance before facing litigation. Opponents have criticized H.B. 333 as being overly burdensome on the disability community and as being a barrier to the courts. Proponents support the legislation as being a fair compromise between citizens and businesses.

H.B. 333 was favorably reported by the House Judiciary Committee on May 21, 2014, and currently is pending approval by the full House of Representatives.

H.B. 573 – Patent Infringement Lawsuits: Representative Kristina Roegner (R-Hudson) introduced H.B. 573 to prohibit a person from making a bad faith assertion of patent infringement and to allow someone aggrieved by a bad faith assertion to bring a tort action. The bill would also allow the Attorney General to investigate and institute civil action if the Attorney General's office believes someone has made a bad faith assertion of patent infringement. Rep. Roegner has said that the purpose of the legislation is to protect Ohio businesses from frivolous lawsuits. She noted in committee that similar legislation has passed in 14 other states.

The bill was referred to the House Judiciary Committee where it has received two hearings.

## **OMA Files Amicus Brief in Appeal Involving CAT Credit for NOL Carryforwards**

By Mark A. Engel  
Bricker & Eckler LLP

On September 4, 2014, OMA filed an amicus brief on behalf of the taxpayer in the case *Navistar, Inc. v. Testa*, Ohio Supreme Court No. 14-0140. The case involves the credit against the commercial activity tax for net operating loss carryforwards provided by R.C. 5751.53. The Tax Commissioner and the Board of Tax Appeals reduced the credit claimed by Navistar, and Navistar appealed to the Supreme Court.

The NOL Credit: R.C. 5751.53 provides that a taxpayer may claim a credit against its commercial activity tax liability, its “amortizable amount.” The “amortizable amount” is the sum of the taxpayer’s “disallowed Ohio net operating loss carryforward,” and other net deferred tax items apportioned to Ohio, multiplied by 0.08. The “disallowed Ohio net operating loss carryforward” is the taxpayer’s net operating loss carryforward used to compute the related deferred tax asset reflected on its books and records on the last day of its taxable year ending in 2004, reduced by any qualifying related valuation allowance, also reflected on the books and records on the last day of the taxable year ending in 2004. R.C. 5751.53(A)(6)(b).

A taxpayer wishing to claim the credit was required to file an Amortizable Amount Report by June 30, 2006. The Department of Taxation has until June 30, 2010, to audit the report and to adjust the credit available to a taxpayer. R.C. 5751.53(D).

Facts: Navistar filed the requisite report on June 27, 2006, containing its Ohio deferred tax asset and the related valuation allowance reflected on its books and records as of October 31, 2004, which was the end of its fiscal year ending in 2004. Subsequent to filing the Report, Navistar restated its financial statements for 2004, in which it increased its valuation allowance to 100%, reducing the value of its deferred tax asset to \$0. Claiming the authority to make “any correction” necessary under R.C. 5751.53(D), the Department reduced Navistar’s credit to \$0 and the BTA affirmed that decision. Navistar appealed to the Supreme Court.

Navistar’s position is that when it filed its Amortizable Amount Report, that report correctly reflected the deferred tax asset and related valuation allowance that were reflected on its books and records as of October 31, 2004. R.C. 5751.53 contains no authority for either the taxpayer, or the Tax Commissioner, to change those amounts based on events occurring after the date the report was due.

OMA’s Position: In its amicus brief, OMA took the position that the statute is clear on its face: a deadline is a deadline for both parties. The credit is based upon the information contained in a taxpayer’s books and records as of the end of its fiscal year ending in 2004, and there is no authority for either the Tax Commissioner, or the taxpayer, to change that amount as a result of events that occur after the deadline for filing the report. The Tax Commissioner’s witnesses admitted at the BTA that had the restatement reduced the valuation allowance and increased the Amortizable Amount, it would not have allowed the increased credit. The instructions for the Amortizable Amount Report do not indicate that the amount reflected in the report should be updated for subsequent events; nor has the Tax Commissioner issued a ruling or an information release advising taxpayers that the amount may be changed for subsequent events.

The mischief of the Tax Commissioner's position is illustrated by two facts. First, regardless of the amount of the valuation allowance, the deferred tax asset continues to be reflected on its books and a taxpayer is permitted under FAS 109 to continue to claim NOL carryforwards as it is able to do. In fact, Navistar did claim the benefits of its deferred tax assets. Second, in 2011, pursuant to FAS 109 Navistar reduced its valuation allowance to \$0 and once again reflected a deferred tax asset on its books. Yet, Navistar was not able to use these subsequent events to increase its NOL credit against the CAT.

The case is important because the Tax Commissioner appears to have exceeded his authority under the statute. Even if there is an ambiguity in the statute, allowing the tax commissioner to take advantage of subsequent events to increase a taxpayer's liability, but not allowing a taxpayer to use those same events to reduce its liability, simply is poor tax policy. This policy is made worse by the lack of notice involved in the Tax Commissioner's position.

Navistar filed its brief on September 5, 2014. The Tax Commissioner's brief is due in early October, and Navistar will then have the opportunity to file a reply brief. Oral argument will likely be held during the winter, and a decision might be issued by spring 2015.

## **Burkhart v. H.J. Heinz Company - Ohio Supreme Court**

### **Facts and Trial Court Proceedings**

In brief, a long-time employee of Heinz, who worked in the boiler room, was diagnosed with mesothelioma (which is caused by exposure to asbestos). He filed a product liability action against several manufacturers of asbestos and asbestos-containing products and, in that lawsuit, his deposition was taken. After he died, his widow filed a workers' compensation claim for death benefits asserting that her husband had been exposed to asbestos while working at Heinz and that he died as a result of an occupational disease. When her claim was denied, she appealed to the Wood County Common Pleas Court. Heinz filed a motion for summary judgment. In response, the widow relied on the husband's deposition testimony from the products liability case to show that he had been exposed to asbestos while working at Heinz. The trial court struck this deposition testimony from the record, concluding that it was inadmissible hearsay. The widow had argued that the testimony fell within an exception to the hearsay rule and, thus, was admissible. The trial court granted summary judgment for Heinz.

### **Court of Appeals**

The Court of Appeals reversed, finding that the deposition testimony from the lawsuit against the manufacturers was admissible against the employer. In reaching this conclusion, the Court of Appeals determined that the manufacturers in the products liability suit were predecessors in interest to Heinz and, thus, the testimony could be used against Heinz even though it was not a party in the products liability suit and did not have an opportunity to cross examine the employee.

### **Ohio Supreme Court**

The Ohio Supreme Court reversed the decision of the Court of Appeals and remanded the case to the trial court to consider whether the remaining evidence creates a genuine issue of material fact regarding injurious exposure to asbestos in the workplace. The crux of the Court's decision is that "a predecessor-in-interest relationship is not established merely by showing that the parties to the proceedings shared an interest in the material facts and outcome of the case; rather, a predecessor-in-interest is one from whom the present party received the right, title, interest, or obligation that is at issue in the current litigation." The Court concluded that none of the defendants in the products liability suit was a predecessor-in-interest to Heinz, nor did they have a similar motive to develop the employee's testimony. Neither Heinz nor a predecessor-in-interest had an opportunity to cross-examine the employee in the prior litigation. Thus, the deposition transcript could not be used against Heinz in the workers compensation proceeding. The 6-1 decision was written by Justice O'Donnell, with Justice Pfeifer dissenting.

The practical impact of this decision is that defendants generally will not be subjected to liability based on testimony given in other lawsuits in which they were not a party. The exception is where a predecessor-in-interest was a party in the other litigation and had a similar motive to develop the testimony. If those two criteria are met, then the testimony falls within the exception to the hearsay rule and can be used in the subsequent litigation.

**Anne Marie Sferra, Partner**  
**Bricker & Eckler LLP**

## Public Policy “Hot Topics” December 3, 2014

### Overview

Following the general election, a post-election, “lame duck” session is underway. Meanwhile newly minted leaders prepare for the 131<sup>st</sup> General Assembly which will convene in early January.

### Elections

See attached OMA post-election report produced hours after polls closed. Governor John Kasich easily cruised to a second term carrying with him Republicans all the way down the ticket.

### Post-Election “Lame Duck” General Assembly

Final legislative activity in the 130<sup>th</sup> General Assembly is underway before this session adjourns sine die. Lawmakers are rushing to complete bills or in some cases tacking bills into other bills as amendments. The OMA has issued member engagement alerts:

- Support of HB 5, municipal income tax
- Oppose MGP amendments
- Oppose delay to steel pipe monitoring program for pipe product used in fracking

### 131<sup>st</sup> General Assembly

Due to term-limits, both Speaker Batchelder and Minority Leader Heard will be leaving the legislature after this term. Now controlling 65 of the 99 seats, Republicans elected new leaders. Representative [Cliff Rosenberger](#) (R-Clarksville) will become the Speaker of the House. The additional House GOP leadership team includes:

- Rep. [Ron Amstutz](#) (R-Wooster) will hold the second-ranking speaker pro tem job.
- Rep. [Barbara Sears](#) (R-Maumee) will maintain her current position as majority leader.
- Rep. [Jim Buchy](#) (R-Greenville) will be the fourth-ranking assistant majority floor leader.
- Rep. [Mike Dovilla](#) (R-Berea) will become the majority whip.
- Rep. [Dorothy Pelanda](#) (R-Marysville) becomes the sixth-ranking assistant majority whip.

House Democrats elected Fred Strahorn of Dayton as their leader. No changes among the Republican leaders in the Senate who will continue to control 23 of 33 Senate seats.

### Energy Efficiency Standards (SB 310 / SB 58 / HB 302)

After 18 months of wrangling, legislation to revise Ohio’s alternative energy standards was signed into law by Governor Kasich in June. See energy report. Since becoming effective, only FirstEnergy has modified their energy efficiency plan. Other utilities have instead chosen to extend plans. A study committee was created by the bill and met one time in late November to hear a presentation by the PUCO chairman. They may meet once again before the end of the year.

### Workers’ Comp & Industrial Commission

The BWC Board of Directors approved the second billion dollar back dividend. The final checks were sent to state fund members in November. The BWC continues to look at ways to improve medical management, and is in the process of developing a pilot program for 2015.



## **Tax Policy**

House Bill 5, the municipal income tax uniformity bill is expected to be voted out of the Senate as early as this week. The bill has been supported by the business community. The OMA testified in support of the bill in November.

The MBR contained the administration's latest version of tax reform. With the goal of reducing the individual income tax rates, the bill would have increased the CAT rate from .26% to .30%, increased the cigarette tax by \$.60 over two years and increased the severance tax. The House and Senate have set aside the proposal. However there is chatter that a CAT increase proposal may resurface in order to pay for a larger personal income tax reduction. There is strong speculation that an increase in the CAT along with a new severance tax proposal could be the backbone of a new push for lowering the personal income tax in Ohio. Stay tuned for the Governor's budget to be released in February 2015.

## **Civil Justice**

The TiPAC bill was passed out of the House judiciary committee in November. The Ohio State Bar Association is opposing the bill due to the inclusion of contingency fee caps. The OMA strongly supports the TiPAC concept and will be advocating passage of the best bill for manufacturing.

Representative Kristina Roegner (R-Hudson) introduced her patent troll bill this spring. Patent trolls are a person or company who enforces patent rights against accused infringers in an attempt to collect licensing fees, but does not manufacture products or supply services based upon the patents in question. This has become a big issue across the country. A federal solution is preferable for many manufacturers. However in the absence of federal legislation, states are taking up the cause. The Ohio bill has divided the business community on what is the appropriate bill language that would prevent trolls while allowing companies to protect their intellectual property. The bankers, grocers and retail merchants are aggressively pushing the bill to be voted out of House committee.

## **Environment**

Comments for the U.S. EPA Clean Power Plan were due December 1. The OMA submitted comments on this plan. In June the U.S. EPA proposed its rules for carbon emissions from the nation's power plants. The rules were proposed under section 111(d) of the Clean Air Act. The rule proposes a national reduction in power plant carbon emissions of 30% by 2030, from a base year of 2012.

The EPA says it built a formula for state-specific reductions: "EPA analyzed historical data about emissions and the power sector to create a consistent national formula for reductions that reflects the building blocks. The formula applies the building blocks to each state's specific information, yielding a carbon intensity rate for each state." Those "building blocks" are: making fossil fuel plants more efficient, fuel switching from coal to natural gas, increased use of solar, wind and nuclear power, and reducing electricity demand by increased energy efficiency. The OMA joined the Partnership for a Better Energy Future, which is a national coalition, whose mission is to ensure the continued availability of reliable and affordable energy. The group was formed in response to the Obama administration's greenhouse gas regulatory agenda.

On December 1, U.S. EPA set forth new plans to tighten the National Ambient Air Quality Standards (NAAQS) for ground-level ozone from the current 75 parts per billion (ppb) to between 60 and 70 ppb, or even lower. This will have a major impact on Ohio. In 2008, the

U.S. EPA lowered the National Ambient Air Quality Standard for ground level ozone to 75 parts per billion (ppb). Now, the agency is proposing to lower the standard to 60 ppb.

Ohio EPA's push for a comprehensive beneficial use program has come back in the last month. The agency has released the long promised draft permits. It has also sent out an early stakeholder outreach on "co-products" and "by-products". These might eventually be excluded from any beneficial use regulation.

#### **Human Resources – unemployment taxes**

There is a major concern among employers regarding Ohio's \$1.3 billion dollar debt to the federal government for unemployment insurance. Until the debt is repaid in full Ohio's FUTA tax rate will continue to climb. The state's trust fund is insolvent and there are real worries that it will not be solvent prior to the next major economic downturn. The Speaker created a summer study committee to travel the state and bring possible recommendations to the legislature on how to address the debt and solvency issues. A report is expected to be presented by the Chair this month. A report is expected to be presented by the Chair this month.

#### **Constitutional Modernization Commission**

See counsel's report.



## POST-ELECTION REPORT November 5, 2014

Unofficial voting results are in. Numbers will change somewhat as outstanding absentee ballots are tabulated. Ohioans have been voting since October 7 when early voting began. See highlighted results below. Join the OMA Government Affairs Committee on December 3, for a full recap and analysis.

### EXECUTIVE SUMMARY

In a Republican sweep, the GOP candidates soundly maintained control of all contested statewide offices including the Supreme Court. In the General Assembly, Republicans defended swing seats and made gains approaching 2/3rds majority. Congressional incumbents won re-election including Bill Johnson, in the most closely watched Congressional contest. Democrats bright spot was maintaining Cuyahoga County Executive. Defending Republicans scored big victories over Democrat challengers who were burdened by a weak FitzGerald at the top of the ticket. As the dust settled late last night, Democrat party chairman Chris Redfern announced he would step down. All OMA-PAC endorsed legislative and judicial candidates prevailed in their contests.

### THE STAKES

- All Statewide Executives including Governor
- U.S. House – All 16 congressional districts
- Presidential candidate possibility for 2016
- Executive Branch / Administrative Agencies
- Ohio General Assembly: 99 House seats / 17 Senate seats
- Ohio Supreme Court – 2 races
- Cuyahoga County Executive

### THE RESULTS

Visit [Ohio Secretary of State website](#) for a complete list of Ohio results

Statewide turnout: 39.5%

Analysis: As forecasted Ohio voter turnout was light as partisans from both major parties remained at home, even more so among the Democrats.

### STATEWIDE RACES

**GOVERNOR** Incumbent John Kasich seeking reelection

R: John Kasich, Incumbent Governor

D: Ed FitzGerald, Cuyahoga County Executive

G: Anita Rios, Co-Founder, Ohio Green Party

**OUTCOME: John Kasich trounced Ed FitzGerald 64% to 33%. Look for the Governor to use the decisiveness of this victory to push his agenda over the next four years.**

**ATTORNEY GENERAL** Incumbent Mike DeWine seeking reelection

R: Mike DeWine, Incumbent Attorney General

D: David Pepper, Attorney

**OUTCOME: Mike DeWine rises above the negative campaigning and earns a solid 62% to 38% victory. DeWine is second highest vote getter after Governor Kasich.**

**AUDITOR OF STATE** Incumbent Dave Yost seeking reelection

R: Dave Yost, Incumbent Auditor

D: John Patrick Carney, State Representative, Attorney

L: Bob Bridges, Small Business Owner

**OUTCOME: Dave Yost's victory 57% to 38% is not surprising as his bipartisan work attracted voters from both sides of the aisle.**

**SECRETARY OF STATE** Incumbent Jon Husted seeking reelection

R: Jon Husted, Incumbent Secretary of State

D: Nina Turner, State Senator

L: Kevin Knedler, Chairman, Libertarian Party of Ohio

**OUTCOME: Jon Husted reelected by a 60% to 35% margin. Ohio's elections official will continue in that role for four more years.**

**TREASURER OF STATE** Incumbent Josh Mandel seeking reelection

R: Josh Mandel, Incumbent Treasurer

D: Connie Pillich, State Representative, Attorney

**OUTCOME: Josh Mandel defeated Connie Pillich 57% to 43% in the race outsiders thought the Democrats had a fighting chance.**

**SUPREME COURT ASSOCIATE JUSTICE**

Incumbent Sharon Kennedy seeking reelection

R: Sharon Kennedy, Current Associate Justice

D: Tom Letson, State Representative

**OUTCOME: Justice Sharon Kennedy retains her seat with a big win over State Representative Tom Letson 73% to 27%.**

**SUPREME COURT ASSOCIATE JUSTICE**

Incumbent Judi French seeking to retain seat on high court

R: Judi French, Current Associate Justice

D: John O'Donnell, Judge, Cuyahoga County Court of Common Pleas

**OUTCOME: In the tightest of the statewide races Justice Judi French bested Judge O'Donnell with a 56% to 44% margin.**

### **CUYAHOGA COUNTY EXECUTIVE**

**COUNTY EXECUTIVE** Current County Executive Ed FitzGerald decided to run for Governor, leaving what many consider the state's second most powerful executive office vacant. OMA member and current Republican Cuyahoga County Councilman Jack Schron faced Democrat state lawmaker and former Ohio House Speaker Democrat Armond Budish. The OMA endorsed Schron, the first time in its history that the OMA endorsed at the local level.

R: Jack Schron, Manufacturer, Retired Military, Attorney

D: Armond Budish, Legislator, Attorney

**OUTCOME: Unable to overcome the large Democratic base in Cuyahoga County Jack Schron falls to Armond Budish 59% to 41% in a hard fought race in northeast Ohio.**

## OHIO GENERAL ASSEMBLY

**OHIO HOUSE** Current Makeup 60Rs – 39Ds

**OUTCOME: Republicans Increase their Majority 65 – 34**

### Highlights:

- HD3 Republican Brown keeps a tough district in Republican hands with a 63% to 31% to 6% defeat of Democrat Long and Libertarian Eberly.
- HD5 Republican newcomer Ginter brings down incumbent Democrat Barborak 60% to 40%. A big pick up for Republicans.
- HD6 Republican Anielski KO's Democrat Fossaceca by a 59% to 41% margin.
- HD16 Republican Baker wins against Democrat LeVeck 62% - 38%.
- HD19 Republican Gonzales holds off Democrat Johnston and Libertarian Monnin in a three way battle in Franklin County 59% - 32% - 8%.
- HD24 Republican Kunze prevails in a three way race over Democrat Hoff and Libertarian Noble 57% - 38% - 5%.
- HD28 Republican Dever delivers this open seat for the Republicans by margin of 56% to 44% over Democrat Kamrass, snatching Pillich's old seat from the Dems.
- HD36 Incumbent Republican DeVitis holds off a hard challenge from Democrat Prentiss and returns to the House with a 60% to 40% victory.
- HD43 Incumbent Democrat Winburn loses in the Republican tidal wave to Republican Rezabek 58% to 42% in a race targeted by the Republicans.
- HD55 Republican Nathan Manning gains an open seat for the Republicans with his victory over Democrat Mackin in Lorain County 56% to 44%. A big pick-up for Republicans.
- HD60 Democrat incumbent Rogers defends his seat against Republican businessman Phillips 54% to 46%.
- HD64 Democrat Michael O'Brien kept a vacant seat in the hands of the Democrats defeating former Republican lawmaker Law 49% to 45%.
- HD79 Republican manufacturer Koehler holds McGregor's seat over Democrat Jackson, keeping a manufacturer in the caucus 61% to 39%.
- HD23 Incumbent Democrat party chair Redfern loses a shocker to Republican Kraus 51% to 49%.
- HD94 Incumbent Democrat Phillips ekes out a victory in the Democrat bastion of Athens County over Republican Dennis 50.34% to 49.66%.
- HD95 Incumbent Republican Thompson holds off Democrat Daniels in a rematch 57% to 43%.
- HD96 Popular incumbent Democrat Cera fends off Republican Ferguson in a seat Republicans zeroed in on by a margin of 54% to 46%.
- HD98 Republican "Landslide" Landis wins this seat more comfortably than last election over Democrat Johnson 68% to 32%.
- HD99 Incumbent Democrat Patterson holds on in a tough race against Republican McArthur 58% to 42%.

**OHIO SENATE** Current Makeup 23Rs – 10Ds

**OUTCOME: Republicans and Democrats hold serve and the chamber remains 23-10.**

### Highlights:

- SD3 Incumbent Republican Bacon cruises in his evenly split district over Democrat Johnson 61% to 39%.

- SD5 Incumbent Republican Beagle defeats Democrat Gillis in a close race in Southwest Ohio 57% to 43%.
- SD9 Democrats hold their open seat in Hamilton County with Republican Winburn losing to Democrat Thomas by 57% to 43%.
- SD13 Republican Gayle Manning easily retains her seat defeating Democrat challenger Madison 64% to 36%.

## UNITED STATES CONGRESS

**U.S. CONGRESS** Current Ohio Makeup 12Rs – 4Ds

**6<sup>th</sup> Congressional District** Incumbent Republican Bill Johnson running for reelection

R: Bill Johnson, Incumbent Congressman

D: Jennifer Garrison, Attorney

**OUTCOME: In the most hotly contested Congressional contest this cycle Bill Johnson bests Democrat Garrison and returns to Washington on the heels of the 58% to 39% victory.**

**14<sup>th</sup> Congressional District** Incumbent Republican David Joyce running for reelection

R: David Joyce, Incumbent Congressman

D: Michael Wager, Small Businessman

L: David Macko, Retired

**OUTCOME: David Joyce solidifies his position and wins handily 63% to 34% over his nearest challenger.**

## BALLOT ISSUES

There were no statewide ballot issues.

**FOR MORE INFORMATION** on districts, candidates, and contests visit below resources:

- [2014 OMA Election Guide](#)
- [OMA Ohio Legislative District Guide](#)
- Ohio [Secretary of State website](#) for full unofficial returns
- [Impact Ohio](#) post-election conference

## TOP ISSUES FACING NEWLY ELECTED STATE LEADERS

- **Post-Election Legislative Session** November & December. The “lame duck” General Assembly will begin at once. Top lame duck issues of interest to manufacturers include:
  - Legislation allowing new utility surcharges to require customers to pay to remediate long-obsolete utility properties called “manufactured gas plants”
  - Legislation allowing new economic development surcharges on customer gas and electric bills to fund “economic development”
  - Municipal Income Tax reform has been pending since the beginning of the biennial session, nearly two years ago. While watered down, passage is likely.
  - Energy policy remains a hot topic with federal “push-down” environmental regulations coming. Efforts to restructure Ohio’s electricity market are also pending at the PUCO and elements have spilled over to the legislative branch.

- Civil Justice legislation has been designed to minimize abuses when the attorney general outsources state litigation authority on a contingency fee basis is likely to pass.
- Common Core education standards have become politicized over the election year. The Ohio House is poised to pass legislation moving Ohio away from Common Core, however Senate action unsure.
- **131<sup>st</sup> General Assembly** will take office in early January marking the beginning of Governor Kasich's second term. Look for his strong reelection to be parlayed into a mandate for reform on key issue areas: taxes, health care, workers' compensation, poverty programs, and education. Issues that the General Assembly will consider include:
  - Tax and Spending -- Ohio runs on a two-year state budget year beginning on July 1. The current state operating budget FY 2015 expires on June 30, 2015. Traditionally budget bills become vehicles for other permanent law changes, often including changes to the tax code. Revisions to personal income tax, commercial activity tax (CAT), sales tax and severance tax on "severed" oil and gas resources are all possible in 2015. With strong economic recovery continuing, state coffers are likely to be more full than in recent budgets. Governor Kasich will unveil his budget proposal in early March 2015. Months of legislative hearings will follow until June.
  - Unemployment Compensation – Ohio's program runs at a deficit. The state balance was wiped out during the recession and the state borrowed upwards of \$3 billion to fund benefits. The state is repaying the overage but employers continue to face increased federal penalties. Look for changes to the system to facilitate faster repayment.
  - Transportation and workers' compensation budget bills may become vehicles for reforms in these areas.
  - Changes to better align workforce development assets are possible.

**Manufacturing Issues FOR YOUR USE in communicating with elected state leaders:**

- [OMA Public Policy Framework for Action](#)

## Leadership

### Dayton's Strahorn to Lead House Democrats

This week House Democrats named Rep. [Fred Strahorn](#) (Dayton) House Democratic leader for the 131st General Assembly.

The caucus elected Rep. [Nicholas J. Celebrezze](#) (Parma) assistant Democratic leader; Rep. [Kevin Boyce](#) (Columbus) Democratic whip; and Rep. [Nickie Antonio](#) (Lakewood) assistant Democratic whip.

Newly elected David Leland (Columbus), returning for a second stint in the House, had been in the running for minority leader, but he withdrew when he failed to gather the needed votes. 11/19/2014

### Senate Democrats Re-elect Leadership Team

Senate Democrats this week re-elected their entire leadership team for the coming 131st General Assembly.

The leaders are: Senate Minority Leader [Joe Schiavoni](#) (Boardman); Assistant Minority Leader [Charleta Tavares](#) (Columbus); Minority Whip [Edna Brown](#) (Toledo); and Assistant Minority Whip [Lou Gentile](#) (Steubenville). 11/19/2014

### Bill Would Delay Steel Pipe Country of Origin ID Requirement

HB 490, just passed by the House, would delay for two years a recently enacted law that requires identification of country of origin of oil field tubular goods. The bill's provisions would go into effect in 2017, instead of 2015.

The country of origin identification requirement was enacted to enable tracking for safety and environmental protection. It was supported by the OMA.

Use the OMA [Manufacturing Advocacy Center](#) tools to contact your state senator to urge removal of the amendment in HB 490. 11/20/2014

### How Satisfied are Members with OMA?

Once a year we send a quick survey to our primary contact within each member company to assess how we're doing as an organization.

At this point, members rate OMA 3.62 out of 4.00.

Here are some representative comments of perceived value: "Representation of all Ohio manufacturers regarding state government policies and procedures," and "Weekly and monthly updates on issues and changes affecting our business," and "We value not only the effort of those responsible for bringing us the information, but also the depth of coverage of the issues and the stance OMA takes on a number of bills, etc. Where else can we get a pulse on manufacturing, Ohio issues, and platforms of those elected AND those hoping to be elected essentially on a daily basis?"

And here are a few of your concerns: "Meetings in Columbus are not convenient for me. Perhaps you should consider moving them around the state from time to time," and "I miss the old days when the OMA would put on timely educational events. Webinars are nice-- but you really aren't able to form relationships and networks," and "Put all e-mails into a single weekly update (excluding the Daily News Clips)."

All responses are carefully read and provide valuable feedback that we'll take into account in 2015 planning. Thank you! We are thankful for our members. Your [feedback](#) is always welcome. 11/20/2014

### House Lines Up Behind Cliff Rosenberger

House Republicans, which will hold a 65-34 majority in the 131st General Assembly, elected Rep. [Cliff Rosenberger](#) (R-Clarksville) this week as speaker of the House for the new term.

Mr. Rosenberger succeeds term-limited Speaker [Bill Batchelder](#) (R-Medina) and overcame a challenge by Rep. [Jim Butler](#) (R-Oakwood).

The additional House GOP leadership team includes:

- Rep. [Ron Amstutz](#) (R-Wooster) will hold the second-ranking speaker pro tem job.
- Rep. [Barbara Sears](#) (R-Maumee) will maintain her current position as majority leader.
- Rep. [Jim Buchy](#) (R-Greenville) will be the fourth-ranking assistant majority floor leader.
- Rep. [Mike Dovilla](#) (R-Berea) will become the majority whip.
- Rep. [Dorothy Pelanda](#) (R-Marysville) becomes the sixth-ranking assistant majority whip.

Congratulations, Cliff and the entire new leadership team. 11/12/2014



## Meet the Freshmen

When the 131st Ohio General Assembly convenes in January 2105, there will be 29 freshmen in the House and four in the Senate, although not all will be first-time elected officials as some switch chambers after being term-limited. [Here are details](#) about the freshmen and the districts they represent.

Manufacturers are urged to invite all their elected officials, and particularly the freshmen, to tour their facilities, and discuss Ohio manufacturing and the policy environment we need to succeed.

Here are some tools that will help support in-plant meetings: [OMA's Public Policy Framework for Action](#) and [Manufacturing Counts](#), facts about Ohio manufacturing's economic impact.

And here is OMA's [Ohio Legislative District Guide](#), a good website for researching district information.

Contact OMA's [Rob Brundrett](#) or [Ryan Augsburger](#) for assistance in scheduling meetings with legislators. *11/12/2014*

## Senate Republican Leadership Remains Intact

Senate Republicans reelected their leadership team for the new term. Sen. [Keith Faber](#) (R-Celina) remains president, with [Chris Widener](#) (R-Springfield) in the number two president pro tem position. [Tom Patton](#) (R-Strongsville) resumes duties as majority floor leader and [Larry Obhof](#) (R-Medina) will continue as majority whip. *11/13/2014*

## Mexico Trade Mission 2015

The Ohio Development Services Agency invites Ohio businesses to take part in a [trade mission](#) to Mexico from March 1 – March 6, 2015. The mission will be led by the Council of Great Lakes Governors in partnership with the Ohio Development Services Agency in order to assist small to medium-sized companies looking to export products and services to this market.

To help businesses evaluate opportunities in Mexico, and learn more about the trade mission, there will be a seminar on Thursday, December 4 from 8:30 -

11:30 a.m. in Columbus. [Read more](#) *11/13/2014*

## International Market Access Grants for Exporters

Applications for the 2014 Ohio International Market Access Grant for Exporters (IMAGE) Program are now being accepted.

IMAGE is a 50% reimbursement program designed to offset Ohio small businesses' costs associated with international marketing initiatives, including trade shows and missions, marketing material and website translation, and export education programs.

IMAGE funds will reimburse companies a maximum of \$10,000 (50% reimbursement on qualifying expenditures up to \$20,000) for activities associated with new international marketing initiatives.

Learn more [here](#). *11/13/2014*

## Group Seeks Nominations for Northern Ohio Manufacturers Award

[Evolution of Manufacturing Awards](#) recognize northern Ohio manufacturers that best demonstrate the ability to adapt to the changing world and take manufacturing to the next level.

Nominations, including self-nominations, will be accepted through Wednesday, December 3, 2014. Honorees will be announced in late December and recognized at the 2015 Evolution of Manufacturing Conference on Thursday, February 19, 2015, at the Advanced Technology Training Center at Cuyahoga Community College.

Past honorees include: Vitamix Corporation; Shearer's Foods; rp+m; Naturepedic; ArcelorMittal; Darice, Inc.; Magnus International Group, Inc.; Tremco Commercial Sealants & Waterproofing; and Kennametal Inc. *11/13/2014*

## House Committee Passes Common Core Repeal Along Party Lines

This week, Ohio House Republicans in the Rules and Reference Committee quickly approved [House Bill 597](#), a measure that would repeal the Common Core education standards and replace them with a temporary set of standards, to be based on the Massachusetts pre-Common Core standards, while state officials write brand new standards.

The committee vote went along party lines. *11/6/2014*

## Obama Announces New Manufacturing Programs

This week President Obama [announced](#) “new executive actions to strengthen U.S. advanced manufacturing, spur innovation, and continue to take steps to make the U.S. a magnet for new jobs and investment.”

The U.S. government will spend \$300 million in investments in three technologies: advanced materials including composites and bio-based materials, advanced sensors for manufacturing, and digital manufacturing.

Federal agencies will “develop ‘technology test beds’ within federal research facilities where companies can design, prototype, and test a new product or process.”

The U.S. Department of Labor will launch a “\$100 Million American Apprenticeships Grant Competition to spur new apprenticeship models and scale effective ones in high-growth fields like advanced manufacturing.”

And, the Department of Commerce’s Manufacturing Extension Partnership will “build new capabilities at its state-based centers and pilot a competition for \$130M over five years across ten states to help small manufacturers adopt new technologies and bring new products to market.”

The initiatives are based on recommendations from Advanced Manufacturing Partnership (AMP) Steering Committee, a working group of the President’s Council of Advisors in Science and Technology. The AMP final recommendations, “[Accelerating U.S. Advanced Manufacturing](#),” have just been published. *10/28/2014*

## JobsOhio Releases 2014 Audit

JobsOhio released its audited financial statements for fiscal year 2014. The audit by KPMG determined the statements are presented fairly and meet all reporting and accounting standards.

The audit can be read [here](#). *10/27/2014*

## Columbus 2020 Named Best in Class

Columbus 2020, the central Ohio economic development agency, has been [recognized as No. 2](#) “best in class” among the country’s regional economic development organizations by the International Economic Development Council (IEDC).

In a new survey of U.S. site selection consultants conducted for IEDC, Columbus 2020 also won a gold,

two silvers and three bronze IEDC Excellence in Economic Development awards for various marketing projects and campaigns.

Congratulations to Chief Economic Officer Kenny McDonald and the team at Columbus 2020! *10/27/2014*

## OMI Podcasts Spread the Good News of Manufacturing

The Ohio Manufacturing Institute (OMI), housed at The Ohio State University (OSU) College of Engineering, has created “Manufacturing Tomorrow,” a bi-weekly podcast spotlighting manufacturers and manufacturing innovations. Hosted by Marty Kress of the OSU Office of Research, guests range from C-suite executives and engineers to industry-facing academics, government agencies and regional economic development organizations.

OMI’s first guest is Jeff Garlock, department manager of the new Honda North America Technical Development Center. Listen or subscribe [here](#). Podcasts are posted every other “Manufacturing Monday.” *10/28/2014*

## Forces of Economic Dominance: Manufacturing, Energy, Creativity, Capital

Despite persistent headwinds coming out of Washington, American manufacturing, once again, is driving prosperity for the future.

Editor and academic, Joel Kurtzman, sees a period of epic growth ahead for the U.S., launched around “four forces of economic dominance.”

In [this interview](#), Kurtzman notes: “Four transformational forces—unrivaled manufacturing depth, soaring levels of creativity, massive new energy sources, and gigantic amounts of capital waiting to be invested—have been gathering steam. When combined they will provide the foundation for a much stronger economy, robust growth, and broad-based prosperity that will propel the United States to new heights.” *10/31/2014*

## Campaigns in Homestretch



Voting has begun in Ohio, campaigns are in their homestretches, and OMA members around the state are hosting candidates for tours of their offices, research facilities and plants.

Get out the word for pro-manufacturing candidates. The OMA PAC board of directors endorsed Governor John Kasich for re-election. The board also endorsed sitting Ohio Supreme Court Justices Judith French and Sharon Kennedy. In its first-ever endorsement in a local race, the board endorsed Jack Schron for Cuyahoga County Executive; Schron is CEO of OMA member company, Jergens, Inc.

Find the OMA PAC endorsed candidates for Ohio Senate and Ohio House [here](#). Learn about federal candidates at NAM's [Election Center](#). 10/23/2014

*Pictured is Rep. Mike Duffey (R - Worthington) on a tour of Anheuser Busch's Columbus brewery with company leaders and OMA staff. The million square foot brewery ships a wide variety of products in about 280 trucks a day across the region.*

## NAM Urges West Coast Port Labor Agreement

The National Association of Manufacturers (NAM) is leading a large array of organizations urging a quick agreement on a labor pact affecting the west coast ports of the U.S. and Canada.

This week, the NAM-led group sent a [letter](#) to the negotiating parties: "(W)e again call upon the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) to quickly conclude a new labor agreement. Many U.S. and Canadian stakeholders we represent are already experiencing severe negative effects of delayed shipments. Unless addressed by the two negotiating parties, this situation will soon start to have a broader negative impact on the U.S. and broader North American economies."

NAM seeks to raise awareness of this issue to Congress and the president's administration. Please contact NAM's [Robyn Boerstling](#), Director, Transportation and Infrastructure Policy, to let NAM know of any effects that your operations are experiencing with west coast port slowdowns. 10/23/2014

## OMA President Elected to NAM Board



The National Association of Manufacturers (NAM) announced that Eric Burkland, OMA president, was elected to the NAM board of directors at its meeting this month.

Burkland is also Vice Chairman of the NAM's state association group, a benchmarking and information-sharing group of state manufacturers' associations.

Founded in 1895, the NAM, guided by its board of directors, is the largest industrial trade association in the U.S. with more than 12,000 members.

The NAM board is comprised of more than 200 manufacturing leaders and represents companies of all sizes in every industrial sector. 10/14/2014

## House Hearing on Manufacturing Innovation Set

The Ohio House Manufacturing and Workforce Development Committee will hold a field hearing at Edison Welding Institute in Columbus on October 23, 2014 at 9:00 to hear testimony regarding innovation in manufacturing. The meeting is open to the public.

[Here](#) is the field hearing notice.

## Senator Takes Aim at Glass Dumping

Senator Tim Schaffer (R – Lancaster) recently introduced a resolution, [SR 410](#), urging the federal government to investigate and crack down on dumped glass products. The senator says

the resolution is intended to help the domestic glass industries, particularly Anchor Hocking, which has a struggling plant in his district.

### Ohio Manufacturing Output Jumps 12.6% in One Year

The Ohio Development Services Agency just published an [updated report](#) on Ohio's Gross Domestic Product for 2013. And it's all good news for Ohio and for Ohio's manufacturing sector. Manufacturing's output jumped from \$87.2 billion in 2012 to \$99.8 billion in 2013. A 12.6% increase in one year.

For 2013, Ohio GDP is initially estimated at \$565.3 billion, up almost 3.1% from the revised estimate of \$548.5 billion for 2012.

Manufacturing remains the largest of the 20 sectors of Ohio's economy with almost 17.7% of its total output in 2013; durable goods were 9.4%, while non-durable goods were 8.2%. This is up from 17.11% reported in the 2012 initial figures one year ago.

Ohio's manufacturing sector produced 4.8% of America's manufacturing output in 2013, ranking it 4th in the nation after California, Texas, and Illinois.

The report concludes that while Ohio was among the states hit hardest by the most recent recession, its growth rate in recovery has been greater than the national average due in large part to the contraction and expansion in the highly cyclical durable goods industries, particularly motor vehicles and steel. 10/3/2014

### 68 MFG DAY Events in Ohio and 1,593 Coast to Coast!



Happy Manufacturing Day 2014!

A shout out to the 68 Ohio organizations that have registered their MFG DAY event on the official [MFG DAY](#) site.

Check out the impressive map of [Ohio](#) and [nationwide](#) events, as well as events in Canada, Ohio's largest export partner.

Here is a MFG DAY [press release](#) from OMA member, Whirlpool Corporation. Share your MFG DAY news with [us!](#) 10/3/2014

### OMA's New Public Policy Framework for Action

As the OMA prepares for its 105<sup>th</sup> year of protecting and growing manufacturing, it compiled major public policy goals of focus.

The entire OMA membership was invited to read and react to a draft.

Here is the latest version that reflects member input: [OMA Public Policy Framework for Action](#).

This living document describes the public policy priorities that OMA members have said are needed to protect the state's manufacturers. The concepts in this framework are the result of active work of OMA members through the association's policy committees and directly with OMA staff.

Here is an OMA [press release](#) sent to statewide media this week, making the policy framework public.

Copies of the *OMA Public Policy Framework for Action* were also sent to members of the General Assembly and to OMA-endorsed candidates. You are welcome to use it in your discussions with your local officials. 9/30/2014

### Learn about Ohio MEP Services



For manufacturers who aren't sure how the Ohio Manufacturing Partnership (MEP) can help them, here is a [video](#) that describes the six main MEP organizations which provide products, services, and assistance in support of productivity, growth, and global competitiveness of Ohio manufacturers.

These specialized nonprofits provide low-cost business and technical assistance to small- and medium-sized manufacturers, using state and federal matching funds: [TechSolve](#) (Cincinnati), [Magnet](#) (Cleveland), [Center for Innovative Food Technology](#) (Toledo), [PolymerOhio](#) (Columbus), [Appalachian Partnership for Economic Growth \(Athens\)](#), and [FastLane](#) (Dayton). 9/30/2014

*Pictured: OMA president Eric Burkland addresses a recent Ohio MEP conference audience.*

### Updated [ohiomfg.com](#) for Better Service

If you haven't visited the [OMA website](#) in a while, we invite you to stop by and look over its new, simpler organization.

New services pages show products and services OMA offers and how to access them: [Advocacy Services](#), [Energy Services](#), [Information Services](#) and [Safety & Workers' Compensation Services](#).

The key to getting the most from your membership is to customize your profile at [My OMA](#) using these [few tips](#).

Or, contact our staff members, [Christen Reid](#) or [Lisa Cummings-Dye](#), at any time for personal service. 9/29/2014

### Take a Deep Dive into Your Legislative Districts

OMA has launched the [Ohio Legislative District Guide](#), a new [website](#) that provides tools to study and understand the voting behavior, demographics and economics of Ohio's legislative districts - congressional, house and senate.

Students of Ohio's legislative districts will use the site to understand the economic and demographic composition of the districts in order to assess public policy needs of constituents. 9/2/2014

### Election Outlook: Kasich's Lead Grows

With early voting about to start, a public [poll by Quinnipiac University](#) shows OMA-PAC endorsed Gov. John Kasich enjoying a 57% – 35% edge over Democrat challenger Ed FitzGerald.

"Kasich is on a freeway to an easy reelection victory," said Peter Brown, the pollster in a written release. Brown speculated the results could bode poorly for other Democrats on the statewide ticket. 10/1/2014

### NAM Gives Manufacturing Legislative Excellence Awards to Members of Congress

The National Association of Manufacturers (NAM) member-led Key Vote Advisory Committee has completed its key vote selection process and determined the recipients of the *NAM Award for Manufacturing Legislative Excellence*. The *NAM Award* is given to those members of the U.S. House and Senate who have earned a 70% or higher rating on key manufacturing votes as recorded in the 2013-2014 113<sup>th</sup> Congress Voting Record.

This award is not a political endorsement, but rather an opportunity for manufacturers to recognize those legislators who consistently support the manufacturing agenda.

There are 278 recipients of the award overall – 40 in the Senate and 238 in the House, including Sen. Rob Portman and 12 U.S. Representatives from Ohio. The final voting record was based on 29 key votes in the House and 9 key votes in the Senate. Find all the details [here](#).

Congratulate the award recipients with whom you have a relationship.

NAM will hold local award events. We'll let you know about any Ohio opportunities. These events are not considered campaign activity or fundraisers but are rather an opportunity for manufacturers to recognize supportive members of Congress. 10/1/2014

### NAM to Elect New Board Chairman

Jay Timmons, president and CEO of the National Association of Manufacturers (NAM) said that when its board of directors meets this week, "We will also reflect on the extraordinary leadership of current Board Chair [Doug Oberhelman](#), chairman and CEO of [Caterpillar Inc.](#), whose term concludes in January, and look forward to the election of [Gregg Sherrill](#), chairman and CEO of [Tenneco Inc.](#), as chair, a visionary leader who is ready to build on Doug's accomplishments and to continue growing the manufacturing army when he becomes chairman in January." 10/2/2014

### Catching Up: A Call for Infrastructure Investment

The National Association of Manufacturers (NAM), the OMA and other state manufacturer associations this week released a [study](#) that documents a productivity- and prosperity-draining underinvestment in American infrastructure.



The report examines expenditures for the major public infrastructure categories: highways and roads, mass transit, rail, aviation and ports and inland waterways, water resources, water supply, and waste disposal.

It finds: "In contrast to most of the preceding 45 years, the volume of investment in almost all of the public infrastructure categories contracted significantly from 2003 through 2012—disturbingly so for highways and roads. The level of real investment in highways and roads was almost 20 percent lower in 2012 compared to 2003."

The study models a \$100 billion a year increase in infrastructure investment and finds it would among other economic benefits, increase jobs by almost 1.3 million at the onset of an initial boost and grow real GDP 1.3 percent by 2020 and 2.9 percent by 2030.

Read the OMA and NAM [statement](#). And share this [executive summary](#) with employees, suppliers and in your community. *9/23/2014*

### **Register Now for Impact Ohio 2014 Post Election Conference**

The [2014 Impact Ohio Post Election Conference](#) offers an immediate and unrehearsed review of the election as well as a view forward to the upcoming session of the Ohio General Assembly.

This year's event will be Thursday, November 6, 2014, 8:30 a.m. to 4:30 p.m., at the Greater Columbus Convention Center.

Impact Ohio is sponsored by [The Success Group](#), the OMA and others in conjunction with the Ohio Democratic Party and the Ohio Republican Party.

Panel discussions cover Ohio's current issues: tax and spending forecasts, energy development, health care, education and an in-depth analysis of the 2014 election results. *9/22/2014*

### **"Patent Troll" Bill to have First Hearing**

Rep. [Jim Butler](#) (R-Oakwood) Chairman of the House Judiciary Committee scheduled [House Bill 573](#) for sponsor testimony next Tuesday, September 30, at 11:00 a.m. Rep. [Kristina Roegner](#) (R-Hudson) introduced the bill at the end of May. The legislation is [intended](#) to curb overreaching practices of a group of patent owners often referred to as "patent trolls."

Patent trolls are business entities that hold an issued patent and derive substantially all their revenue from licensing activities, as opposed to selling products or providing services covered by the patent. A typical

course of action for a troll is to create a list of potential infringers of the patent and send demand letters to those businesses.

This is possible because U.S. patent law grants to patent holders an affirmative right to exclude others from doing what is covered by the patent but does not require an owner of a patent to manufacture or sell goods, or provide services covered by the patent.

OMA counsel Bricker & Eckler [concluded](#) that House Bill 573, intended to protect businesses from the damaging effects of "patent trolls," fails to do so.

Contact OMA's [Rob Brundrett](#) if you would be interested in participating in a work group regarding the development of this legislation. *9/25/2014*

### **U.S. Industrial Outlook: Growth Mode**

The latest Manufacturers Alliance for Productivity and Innovation (MAPI) [projections](#) forecast U.S. manufacturing production to grow 3.4% in 2014, 4.0% in 2015, and 3.6% in 2016. Manufacturing is expected to continue to grow faster than the overall economy.

MAPI says growth drivers are energy infrastructure, the housing supply chain, transportation infrastructure, medical care expansion, and widespread growth abroad. *9/24/2014*

### **OMA PAC Endorses Cuyahoga County Manufacturing Leader**

The Ohio Manufacturers' Association Political Action Committee (OMA PAC) this week [announced](#) its endorsement of Jack Schron for Cuyahoga County Executive. This is the first time the OMA PAC has endorsed a candidate for local office.

"The office of Cuyahoga County Executive is of enormous importance to the economy not simply of Northeast Ohio, but of all of our state," said Bill Sopko, chairman of the board of the OMA PAC and president of Stamco Industries, Inc., Euclid. "It is the right time and Jack Schron is the right candidate for the OMA PAC to endorse in a local race for the first time."

"Jack Schron is the clear choice for creating jobs in Cuyahoga County," said Eric Burkland, president of the OMA. "We know firsthand Jack Schron's depth of leadership experience and management expertise. Ohio is making a comeback, and Jack Schron is the right person to help drive that comeback in Cuyahoga County."

Schron is the president of OMA member company, Jergens, Inc., Cleveland. 9/17/2014

### Fritz Given OMA's Babington Award



At the quarterly meeting of the OMA board of directors this week, Jeff Fritz, Manager of Government Affairs for DuPont, and immediate past chairman of the OMA Government Affairs Committee, was given the OMA's Babington Award. The award honors outstanding volunteer leadership in executing the OMA mission of protecting and growing Ohio manufacturing, and in building capacity for the association itself.

The award, which is given infrequently, is named for the late Bill Babington of Stone Container. Bill was a Louisiana native whose career took him to many locations building and improving mills for the company. He completed his career in Coshocton, and was active in the OMA. He was well-known and well-loved in the government affairs community. He set high expectations for the OMA and its staff, always with a nurturing, good-humored manner. And, he liked to dance.

Congratulations, Jeff! 9/18/2014

*Pictured: Rob Brundrett, OMA, Jeff Fritz, Manager, Government Affairs, DuPont, and Ryan Augsburg, OMA*

### House and Senate Leaders Meet with OMA Directors

Senate President Keith Faber (R – Celina) and Senate Majority Whip Larry Obhof (R – Medina) visited with OMA directors and members this week. So did Assistant Majority Whip Jim Buchy (R – Greenville) and Rep. Cliff Rosenberger (R – Wilmington).

The legislative leaders, supporters of Ohio manufacturing, discussed issues of concern to the engine of the state's economy, manufacturing. 9/18/2014

### Show the World Your Household Products!

OMA has been asked to refer members who manufacture household products to potentially be featured on a brand new HGTV series called *Home Factory* that will air in Canada, the U.S., the UK, Europe and India.

*Home Factory* takes viewers behind the scenes of production lines to see just how household products are made. The pilot episode featured OMA member, Vita-Mix Corporation.

A representative for *Home Factory* said: "We understand concerns about proprietary processes and work closely with participating companies to tell their product's story without giving away trade secrets. In addition to covering the "making of" aspect, we also conduct 1-2 interviews with company representatives to delve a bit into the company and brand, and to get a more in-depth understanding of the process behind the product. Each episode features three 5 to 9 minute segments highlighting three distinct products and we never feature similar or competing brands and products within the same episode."

All filming is done at the facility and is accomplished in one day; there is absolutely no cost associated with being featured on the show, and participating companies will be given the opportunity to review the segment prior to air, for factual accuracy."

Contact OMA's [Dan Noreen](#) soon if interested; the plan is to shoot segments in October and November. 9/17/2014

### Ex-Im Bank Gets Nine-Month Extension

This week Speaker John Boehner succeeded in keeping the Ex-Im Bank alive by attaching a nine-month extension of the bank to a continuing resolution that funds the federal government through mid-December.

The continuing resolution extends the bank's charter until June 30, 2015. The bank faced an expiration date of September 30, absent congressional re-authorization.

In a [press statement](#), National Association of Manufacturers (NAM) Vice President of International Economic Affairs Linda Dempsey stated: "Simply put, Congress's work is far from over. Until a long-term reauthorization is enacted, U.S. exporters will be forced to operate under a haze of uncertainty that hurts job growth and only bolsters our foreign competitors." 9/18/2014

## **OMA-PAC Endorses Ohio General Assembly Candidates**

This week The Ohio Manufacturers' Association Political Action Committee (OMA-PAC) announced its first round of [candidate endorsements](#) for the Ohio General Assembly. Among them are 11 Senate candidates and 61 House candidates, many of which are incumbents.

"Our goal is to help elect the most qualified candidates to protect and grow Ohio manufacturing," said OMA president Eric Burkland. "With these endorsements, we've taken an important step in accomplishing that goal. These candidates support the issues that are important to Ohio manufacturers and their employees and understand that a strong manufacturing sector leads to a healthier economy, good jobs and improved quality of life for all Ohioans. We are pleased to support them."

Candidate endorsements are made by the [OMA-PAC board of directors](#) based on a variety of factors including voting records and OMA member support in the district.

Strongly consider supporting these OMA-PAC endorsed candidates!

Go [here](#) to find your elected officials and your candidates. 9/10/2014

## **New NAM Study on (Big) Cost of Regulatory Compliance**

This week the National Association of Manufacturers (NAM) and OMA announced the results of a new study that was commissioned to quantify the costs to manufacturers of complying with federal regulations.

Among the findings: The average manufacturing firm faces \$19,564 per employee per year in compliance costs, nearly double the burden of the average U.S. firm. And, small manufacturers pay \$34,671 per employee per year to comply with federal regulations.

Here is NAM's [web page](#) that contains the full study as well as an executive summary.

Here is our media [release](#). 9/10/2014

## **Supreme Court Agrees with OMA on Procedural Dispute**

Last week the Ohio Supreme Court in a 6-1 decision sided with the OMA in the case [Burkhart v. H.J. Heinz Company](#). The OMA filed an amicus brief in support

of Heinz regarding a procedural dispute affecting an asbestos exposure lawsuit.

"The practical impact of this decision is that defendants generally will not be subjected to liability based on testimony given in other lawsuits in which they were not a party. The exception is where a predecessor-in-interest was a party in the other litigation and had a similar motive to develop the testimony. If those two criteria are met, then the testimony falls within the exception to the hearsay rule and can be used in the subsequent litigation," wrote OMA counsel [Anne Marie Sferra](#) of Bricker & Eckler LLP in this [case summary](#). 9/11/2014

## **550 New Jobs for an OMA Founding Member**

We don't often note specific manufacturing expansion announcements here. But, this one is a little special at the OMA:

This week Columbus Castings, located on the capital city's south side, [announced](#) it will be hiring 550 new employees in the next three years, doubling its current employment.

Columbus Castings is the former Buckeye Steel Castings, one of 17 of the [founding member companies](#) of the OMA from 1910. Buckeye Steel Castings founder was Samuel Prescott Bush, the great grandfather of president George W. Bush. Samuel Prescott Bush was the OMA's second president, following our founder, [Colonel J.G. Battelle](#). They would be called "chairman" now, predecessors of current OMA chairman Bill Sopko. 9/3/2014

## **Federal Court Restores Ohio's Early Voting Hours**

Manufacturers with employee civic involvement programs will want to know that this week a federal district judge [overturned](#) a recently-passed bill (SB 238) that would have limited the early in-person voting period from 35 days before an election to the day following the close of voter registration.

That bill was aimed to eliminate the so-called "golden week," during which time a person could register to vote and, then, vote on the same day. Prior to enactment of SB 238, Ohio law provided for early voting starting on the 35th day before an election. As Ohio law required citizens to be registered only thirty days prior to an election in order to be eligible to vote, a several day period existed wherein a citizen could register to vote and cast a ballot on the same day, the "golden week."



U.S. District Judge Peter Economus of the Southern District of Ohio found SB 238 unconstitutional and in violation of the Voting Rights Act of 1965. The effect is restoration of the “golden week” and expansion of some voting hours on weekends and in the evenings in some urban counties.

Early voting in Ohio now begins on September 30. *9/4/2014*

### **Manufacturing Exports Support How Many Jobs?**

Manufacturing exports sustained 242,000 jobs in Ohio in 2013, according to [data released](#) by the U.S. Commerce Department this week. Ohio was the country's [eighth leading](#) exporting state.

Commerce also released a study of exports by metro area. You can see that [here](#). Cincinnati, Cleveland and Columbus were in the top fifty exporting metros. *9/3/2014*

### **Manufacturing Growth Fastest in Three Years**

“Manufacturing expanded in August at the fastest pace in three years as orders grew by the most in a decade, showing U.S. factories will help power the economy into the third quarter,” [reports](#) Bloomberg.

The Institute for Supply Management's index unexpectedly climbed to 59, the highest level since March 2011. The improvement is driven by demand for durable goods. *9/2/2014*

### **McGladrey Reports on OMA Member Responses**

OMA Connections Partner, McGladrey produces an annual benchmarking survey of manufacturers and distributors. OMA members contributed sufficiently to this national survey that McGladrey was able to produce an [OMA member-specific report](#).

Among OMA member differences: 1) The impact of state business taxes is likely to be viewed as a restraint on growth by a lower percentage of OMA members (41 percent) than it is by their peers nationwide (60 percent); 2) A greater percentage of OMA survey participants (88 percent) than U.S. participants overall (70 percent) believe the Affordable Care Act will limit (or significantly limit) company growth; and 3) More than three-quarters of OMA participants believe the EPA's environmental regulations to be a limitation on growth, compared to half of national participants.

Kind thanks to the members who took the time to complete the 2014 survey. *9/4/2014*

### **Manufacturers for Kasich**



At two events this week, the OMA-PAC [announced](#) support for Governor Kasich and Lieutenant Governor Taylor. OMA chairman Bill Sopko and president of Stamco Industries, Inc. hosted Governor Kasich at the Stamco facility in Euclid. Brilex Industries, Inc. president Brian Benyo hosted Lieutenant Governor Taylor at its plant in Youngstown.

At the Stamco event, OMA president Eric Burkland said: “Think about what's been achieved in a few short years. An \$8 billion deficit...gone. Not only without raising taxes, but by lowering taxes. Not once, but several times.

Reforms all across state government. Reform of Medicaid. Reform of our workforce development system. Reforms of government management processes. Reform of the workers' compensation medical program. Taxation reforms, budgeting reforms, transportation reforms, poverty program reforms ... the list goes on. Every part of state government is undergoing change.”

Burkland noted: “Manufacturing is making a comeback in Ohio, a strong comeback ... Manufacturing's share of the Ohio economy is increasing. Manufacturing contributed \$87 billion to the Ohio GDP in 2012, which is the most recent GDP measure available, more than twice the amount of any other non-governmental economic sector. Manufacturing employs more Ohioans than any other private industry sector, and is third among the states in manufacturing jobs (behind only the much larger Texas and California). And, manufacturing has the largest payroll of any industry sector, more than twice as large, again, as any other private industry sector. In a nutshell, manufacturing is driving the Ohio economy.

This is happening in Ohio because of leadership, leadership that doesn't shy away from challenges and drives change. We have that type of leadership within Ohio manufacturing, and, critically, within our state government. Specifically, with one man: John Kasich.”

The OMA PAC urges a vote for the Kasich/Taylor ticket. 8/28/2014

*Pictured: Governor John Kasich and OMA president Eric Burkland at Stamco Industries, Inc., Euclid*

### **U.S. International Trade Commission Votes in favor of U. S. Industry**

Last week the U.S. International Trade Commission (USITC) [determined](#) that the U.S. steel industry is materially injured by imports of certain oil country tubular goods (OCTG) from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam. The U.S. Department of Commerce has determined these products are sold in the U.S. at less than fair value and that imports of these products are subsidized by the governments of India and Turkey.

The Commission further determined that the U.S. industry is not materially injured or threatened by imports of these products from Philippines or Thailand.

As a result of the USITC's affirmative determinations, the U.S. Department of Commerce will issue countervailing duty orders on imports of these products from India and Turkey and antidumping duty orders on imports of these products from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam.

OMA member United States Steel Corporation, which expended a great deal of effort as a petitioner in the case, issued this [statement](#): "The International Trade Commission's diligent and conscientious investigation and affirmative final vote clearly recognized that these six countries, which represent more than 90% of the unfairly traded imports that entered the U.S. market in 2013, imported OCTG using unfair methods and market distorting pricing. The dumped imports from all nine countries have caused material injury to the American market and the American worker. Orders have been reduced, mills idled and jobs have been lost." 8/23/2014

### **Hess to Lead OMA Government Affairs Committee**



[Christopher Hess](#) Director of Public Affairs for Eaton this week was appointed chairman of the OMA Government Affairs Committee. He specializes in state and federal government and regulatory affairs for the global power management company.

The chairman of the OMA Government Affairs Committee also earns a seat on the board of the OMA as well as the OMA Political Action Committee.

Hess succeeds Jeff Fritz, Manager Government Affairs, of DuPont who ably led the committee for nearly four years.

"All OMA members will benefit from Chris' extensive experience as an advocate for one of Ohio's leading manufacturers and, previously, for the Greater Cleveland Partnership. The OMA has a tradition of strong volunteer leadership. We welcome Chris to this critical position," said OMA Board Chairman William Sopko, Jr. in making the appointment.

The next meeting of the OMA Government Affairs Committee is December 3. All members are welcome and can register [here](#). 8/21/2014

### **Members Hear from Political Observer, Dr. John Green**

This week OMA members attending the Government Affairs Committee meeting heard a presentation about the Ohio governor's race from [Dr. John Green](#), Director of the Ray C. Bliss Institute of Applied Politics at the University of Akron.

Dr. Green commented on [polling trends](#) noting that it is technically still early and while things could change, Ed FitzGerald's continuing missteps will be critically weighed by voters. 8/21/2014

## Miscellaneous Legislation of Interest to Manufacturers

Prepared by: The Ohio Manufacturers' Association  
Report created on December 2, 2014

- HB4 LOCAL GOVERNMENT PERFORMANCE MEASUREMENT GRANT PROGRAM** (STAUTBERG P, BLESSING III L) To establish the Local Government Performance Measurement Grant Program.  
*Current Status:* 12/3/2013 - **SUBSTITUTE BILL ACCEPTED**, House State and Local Government, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_4](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_4)
- HB9 RECEIVER'S POWERS** (STAUTBERG P) To add to and clarify the powers of a receiver and to provide a procedure for a receiver's sale of real property.  
*Current Status:* 11/19/2014 - Senate Appoints Managers; Conference Committee Members: Sens. Coley, Obhof, Skindell  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_9](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_9)
- HB13 PROVISIONAL BALLOTS** (REECE A) To require a provisional ballot to be remade and counted for the offices, questions, and issues for which the provisional voter was eligible to vote, if the election official assisting that provisional voter failed to direct the provisional voter to the correct precinct, and to revise the portion of the provisional ballot affirmation required to be completed by the election official.  
*Current Status:* 1/30/2013 - Referred to Committee House Policy and Legislative Oversight  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_13](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_13)
- HB17 LOCAL GOVERNMENT FUND** (CERA J, GERBERRY R) To require that, for fiscal year 2014 and each fiscal year thereafter, the Local Government Fund must receive the same proportion of state tax revenue that the Fund received in fiscal year 2005.  
*Current Status:* 1/30/2013 - Referred to Committee House Finance and Appropriations  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_17](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_17)
- HB20 FINANCIAL RESPONSIBILITY PROOF** (STINZIANO M) To permit a person to present proof of financial responsibility to the Registrar of Motor Vehicles, a peace officer, a traffic violations bureau, or a court through use of an electronic wireless communications device.  
*Current Status:* 6/25/2013 - House Transportation, Public Safety and Homeland Security, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_20](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_20)
- HB21 VOTING PROCESS-HEALTH CARE ISOLATION ELECTOR** (STEBELTON G) To establish a process to permit an elector who is confined to a health care facility under isolation to vote with the assistance of bipartisan board of elections employees, and to permit the elector's facsimile signature, provided by the hospital, to be used for signature verification purposes.  
*Current Status:* 2/26/2013 - House Policy and Legislative Oversight, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_21](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_21)
- HB35 TRANSPORTATION BUDGET** (MCGREGOR R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2013, and ending June 30, 2015, and to provide authorization and conditions for the operation of those programs.

**Current Status:** 3/12/2013 - Senate Transportation, (Seventh Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_35](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_35)

**HB38 OHIO TURNPIKE COMMISSION TRANSPORTATION BUDGET (MCGREGOR R)** To authorize the Ohio Turnpike Commission to issue revenue bonds for infrastructure projects, to rename the Ohio Turnpike Commission as the Ohio Turnpike and Infrastructure Commission, to repeal authority allowing the Director of Budget and Management and the Director of Transportation to execute a contract with a private entity for the purpose of outsourcing turnpike-related highway services, to make other changes in the law governing the Ohio Turnpike Commission, and to make an appropriation.

**Current Status:** 2/6/2013 - Referred to Committee House Finance and Appropriations

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_38](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_38)

**HB48 POLITICAL CONTRIBUTIONS (MILKOVICH Z)** To change the age at which an individual may make a political contribution, to reduce the amount of political contributions that may be made by a contributor, and to similarly reduce the amount of contributions that political entities may accept.

**Current Status:** 6/18/2013 - House Policy and Legislative Oversight, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_48](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_48)

**HB51 TRANSPORTATION BUDGET (MCGREGOR R, PATMON B)** To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2013, and ending June 30, 2015, and to provide authorization and conditions for the operation of those programs.

**Current Status:** 4/1/2013 - **SIGNED BY GOVERNOR**; Eff. 7/1/2013 or at later date if specified in bill; Other Sections Eff. 4/1/2013 (Exempt from Referendum)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_51](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_51)

**HB59 BIENNIAL BUDGET (AMSTUTZ R)** To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.

**Current Status:** 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)

**HB76 INSPECTOR GENERAL'S OFFICE (PILLICH C)** To change the appointing process for the Inspector General, to clarify the offices over which the Inspector General has authority, and to prohibit partisan political activity by the Inspector General and employees in the office of the Inspector General.

**Current Status:** 2/27/2013 - Referred to Committee House Policy and Legislative Oversight

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_76](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_76)

**HB77 MANUFACTURING MONTH (DOVILLA M, CELEBREZZE N)** To designate October as "Manufacturing Month."

**Current Status:** 6/27/2013 - **SIGNED BY GOVERNOR**; Eff. 9/27/2013

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_77](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_77)

**HB78 ONLINE VOTER REGISTRATION SYSTEM (STINZIANO M)** To require the Secretary of

State to create an online voter registration system and to permit data sharing in order to maintain the statewide voter registration database.

**Current Status:** 11/6/2013 - House Policy and Legislative Oversight, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_78](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_78)

**HB82 OHIO'S CIVIL RIGHTS LAW EXEMPTION (HAYES B, BLAIR T)** To exempt religious corporations, associations, educational institutions, or societies from the definition of "employer" for the purpose of Ohio's Civil Rights law.

**Current Status:** 3/6/2013 - House Judiciary, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_82](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_82)

**HB100 JOBSOHIO-NONPROFIT ECONOMIC DEVELOPMENT CORPORATIONS (CARNEY J)** To allow the Auditor of State to conduct full audits of JobsOhio and to require all nonprofit economic development corporations that receive public funds to make annual disclosures related to both their public and private funds.

**Current Status:** 6/25/2013 - **SUBSTITUTE BILL ACCEPTED**, House State and Local Government, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_100](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_100)

**HB157 TOWNSHIP OFFICER RECALL (STAUTBERG P)** To establish a procedure to recall an elective township officer.

**Current Status:** 5/14/2013 - House State and Local Government, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_157](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_157)

**HB174 BEER MANUFACTURERS (BUCHY J, GERBERRY R)** To prohibit a beer manufacturer from taking certain actions regarding the awarding or acquiring of beer distribution franchises or beer distribution territories prior to July 30, 2013, and to declare an emergency.

**Current Status:** 5/29/2013 - House Commerce, Labor and Technology, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_174](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_174)

**HB194 AUTO INDUSTRY MONTH (LUNDY M, ADAMS J)** To designate the month of November as "Auto Industry Month."

**Current Status:** 6/25/2013 - House Transportation, Public Safety and Homeland Security, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_194](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_194)

**HB218 ENTREPRENEUR IN RESIDENCE PILOT PROGRAM (ROSENBERGER C, DOVILLA M)** To require the Small Business Advisory Council to establish an entrepreneur in residence pilot program.

**Current Status:** 11/26/2014 - Sent to Governor for Signature

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_218](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_218)

**HB261 OHIO COURT OF CLAIMS MODERNIZATION (BUTLER, JR. J, STINZIANO M)** To abolish the office of the Court of Claims commissioner, to transfer the powers of a judge of the Court of Claims to the court; to specify certain powers of a Court of Claims magistrate, to modify the Attorney General's annual report on the crime victims compensation program, to conform existing law to the existing filing period for filing a claim for reparations by an adult, to eliminate the procedure for filing an affidavit of disqualification for a judge of a municipal or county court and instead include the disqualification of a judge of a municipal or county



court and a judge of the court of claims within the procedure for filing an affidavit of disqualification for a probate judge, a judge of a court of appeals, and a judge of the court of common pleas, and to change the basis of the per diem compensation of a retired judge who serves on the Court of Claims from the annual compensation of a judge of a court of appeals to the annual compensation of a judge of a court of common pleas.

**Current Status:** 4/10/2014 - **SIGNED BY GOVERNOR**; Eff. 7/10/2014

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_261](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_261)

**HB278**      **FREEWAY TRAVEL-VEHICLE GROSS WEIGHT (SLABY M)** To require that a vehicle with a gross vehicle weight rating or an actual gross vehicle weight of more than 10,000 pounds be driven only in either of the two right-hand lanes of a freeway with three lanes of travel in the same direction, except in limited circumstances.

**Current Status:** 11/12/2013 - House Transportation, Public Safety and Homeland Security, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_278](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_278)

**HB292**      **AEROSPACE AND TECHNOLOGY STUDY COMMITTEE (PERALES R)** To create the Aerospace and Technology Study Committee.

**Current Status:** 6/17/2014 - **SIGNED BY GOVERNOR**; Eff. 9/17/2014

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_292](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_292)

**HB295**      **LEGISLATIVE AGENT (HAGAN R)** To require a legislative agent to report to the Joint Legislative Ethics Committee compensation paid to the agent by the agent's employer.

**Current Status:** 10/10/2013 - Referred to Committee House State and Local Government

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_295](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_295)

**HB321**      **DATAOHIO BOARD (DUFFEY M, HAGAN C)** To create the DataOhio Board, and to specify requirements for posting public records online.

**Current Status:** 5/27/2014 - **REPORTED OUT**, House State and Local Government, (Sixth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_321](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_321)

**HB322**      **UNIFORM ACCOUNTING SYSTEM (DUFFEY M, HAGAN C)** To require the Auditor of State to adopt rules regarding a uniform accounting system for public offices.

**Current Status:** 5/27/2014 - **REPORTED OUT**, House State and Local Government, (Sixth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_322](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_322)

**HB323**      **ONLINE PUBLIC DATA CATALOG (DUFFEY M, HAGAN C)** To establish an online catalog of public data at data.Ohio.gov.

**Current Status:** 5/27/2014 - **REPORTED OUT**, House State and Local Government, (Sixth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_323](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_323)

**HB324**      **LOCAL GOVERNMENT INFORMATION EXCHANGE GRANT PROGRAM (DUFFEY M, HAGAN C)** To establish the Local Government Information Exchange Grant Program and to make an appropriation.

**Current Status:** 11/20/2014 - **PASSED BY HOUSE**; Vote 92-0

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_324](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_324)

**HB338**      **WORKERS' COMPENSATION-UNEMPLOYMENT COMPENSATION COVERAGE**

(MCGREGOR R, HOTTINGER J) To establish a test to determine whether an individual providing services for or on behalf of certain motor transportation companies is considered an employee under Ohio's Overtime, Workers' Compensation, and Unemployment Compensation Laws.

**Current Status:** 3/12/2014 - House Commerce, Labor and Technology, (Fifth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_338](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_338)

**HB391 BEER MANUFACTURING-SALE (RAMOS D)** To allow beer manufacturers to manufacture beer containing not more than 21% of alcohol by volume beginning on the effective date of this act, and, beginning one year after the effective date of this act, to allow the sale and distribution of beer containing not more than 21% of alcohol by volume in this state by increasing the legally permitted alcohol content of beer from 12% to 21% and to generally prohibit the inclusion of caffeine or other stimulants in beer containing more than 12% of alcohol by volume.

**Current Status:** 11/12/2014 - House Policy and Legislative Oversight, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_391](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_391)

**HB472 MBR-MID-BIENNIUM BUDGET REVIEW (MCCLAIN J)** To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

**Current Status:** 3/26/2014 - House Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)

**HB494 TRANSPORTATION IMPROVEMENT PROJECTS (SCHURING K)** To authorize counties to undertake regional transportation improvement projects funded by the issuance of securities and by revenue pledges from the state and political subdivisions and taxing districts located within the cooperating counties.

**Current Status:** 12/3/2014 - Senate Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_494](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_494)

**HB497 CAPITAL APPROPRIATIONS (AMSTUTZ R)** To make capital appropriations and changes to the law governing capital projects and to make reappropriations for the biennium ending June 30, 2016.

**Current Status:** 4/1/2014 - **SIGNED BY GOVERNOR**; Eff. 7/1/2014

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_497](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_497)

**HB514 SUPREME COURT JUSTICES-NONPARTISAN BALLOT PLACEMENT (LETSON T)** To place the office of chief justice of the supreme court and justice of the supreme court first and second, respectively, in order on the nonpartisan ballot.

**Current Status:** 4/9/2014 - Referred to Committee House Policy and Legislative Oversight

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_514](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_514)

**HB528 RAILROAD COMPANIES-HAZARDOUS MATERIALS TRANSPORTATION (HAGAN R)** To provide that if a train will be carrying 80,000 pounds or more of hazardous materials, the railroad company must provide the train crew with notification of that fact at least ten hours prior to the train's scheduled departure time and to require the crews of such trains to consist of not less than two qualified railroad employees and the crews of other freight trains to consist of not less than one engineer and one conductor

**Current Status:** 5/7/2014 - Referred to Committee House Transportation, Public

Safety and Homeland Security

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_528](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_528)

- HB533 BRENT SPENCE BRIDGE TOLL** (MCGREGOR R, MALLORY D) To provide that a toll project may include the substantial reconstruction or replacement of an existing toll-free highway, bridge, or tunnel, to amend the law governing public-private agreements relative to transportation facilities, and to provide for the collection of user fees on toll projects by toll project operators.  
**Current Status:** 6/11/2014 - **SIGNED BY GOVERNOR**; Eff. 9/11/2014  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_533](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_533)
- HB573 PATENT INFRINGEMENT** (ROEGNER K) To prohibit a person from making a bad faith assertion of patent infringement, to permit a person aggrieved by a bad faith assertion of patent infringement to bring a tort action, and to authorize the Attorney General to investigate and to institute a civil action if the Attorney General believes a person has made a bad faith assertion of patent infringement.  
**Current Status:** 11/12/2014 - House Judiciary, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_573](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_573)
- HB640 SCHEDULE 1 CONTROLLED SUBSTANCES** (SPRAGUE R, SMITH R) Authorizing the Ohio Attorney General to place certain substances on controlled substances schedule I.  
**Current Status:** 12/3/2014 - House Health and Aging, (Third Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_640](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_640)
- HCR11 INDEPENDENT BUSINESS MONTH** (STEBELTON G) To designate July 2013 as Ohio Independent Business Month.  
**Current Status:** 3/12/2014 - Consideration of Senate Amendments; Concurred Vote 96-0  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_11](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_11)
- HCR45 UNMANNED AIRCRAFT SYSTEMS RESEARCH AND TEST SITES** (PERALES R) To strongly urge the Federal Aviation Administration to consider immediately adding additional qualified unmanned aircraft systems research and test sites to the six chosen research and test sites.  
**Current Status:** 2/18/2014 - **REPORTED OUT**, House Transportation, Public Safety and Homeland Security, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_45](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_45)
- HCR46 CONSTITUTIONAL AMENDMENTS** (BATCHELDER W) To delegate to the President of the Senate and the Speaker of the House of Representatives authority to designate groups of members to prepare arguments for and against amendments to the Ohio Constitution proposed by the General Assembly, a person or persons to prepare an argument for any law, section, or item submitted to the electors by referendum petition, and a person or persons to prepare an argument against any constitutional amendment proposed by initiative petition.  
**Current Status:** 2/4/2014 - **ADOPTED BY SENATE**; Vote 30-0  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_46](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_46)
- HJR2 OHIO CONSTITUTION RIGHT TO VOTE** (STINZIANO M) To set forth in the Constitution of the State of Ohio a specific right to vote and requirements attendant thereto.  
**Current Status:** 12/2/2014 - House Policy and Legislative Oversight, (First Hearing)



**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_2](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_2)

- HJR4 U.S. CONSTITUTION-AMENDMENTS CONVENTION (RAMOS D)** Applying for an amendments convention under Article V of the United States Constitution.  
**Current Status:** 6/18/2013 - House State and Local Government, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_4](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_4)
- HJR7 ARTICLE V AMENDMENTS CONVENTION (HUFFMAN M)** Applying for an Article V amendments convention.  
**Current Status:** 10/29/2013 - House Policy and Legislative Oversight, (Third Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_7](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_7)
- HJR8 OHIO CONSTITUTION-TERM LIMITS (BECKER J)** Proposing to amend Sections 2 and 7 of Article II, Section 6 of Article IV, Section 9 of Article V, Sections 3 and 4 of Article VI, and Section 1 of Article XIV; to enact new Section 8 of Article V; to enact Section 5 of Article X and Section 15 of Article XVIII; and to repeal Section 8 of Article V of the Constitution of the State of Ohio to institute term limits for certain elected and appointed officials and to increase the term limits for members of the General Assembly.  
**Current Status:** 10/30/2013 - Referred to Committee House Policy and Legislative Oversight  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_8](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_8)
- HJR11 CONGRESSIONAL REDISTRICTING (HUFFMAN M)** To establish a constitutional process for congressional redistricting.  
**Current Status:** 11/19/2014 - House Policy and Legislative Oversight, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_11](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_11)
- HJR12 GENERAL ASSEMBLY REDISTRICTING (HUFFMAN M)** To revise the redistricting process for General Assembly districts.  
**Current Status:** 12/4/2014 - House Policy and Legislative Oversight, (Fifth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_12](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_12)
- SB3 RULE-MAKING REFORM (LAROSE F)** To reform rule-making and rule-review procedures and regulatory processes.  
**Current Status:** 6/17/2014 - **SIGNED BY GOVERNOR**; Eff. 9/17/2014  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_3](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_3)
- SB6 TOWNSHIP FISCAL OFFICERS EDUCATION PROGRAMS (SCHAFFER T)** To establish education programs and continuing education requirements for the fiscal officers of townships and municipal corporations, to establish procedures for removing those fiscal officers, county treasurers, and county auditors from office, and to create fiscal accountability requirements for public schools, counties, municipal corporations, and townships.  
**Current Status:** 6/4/2014 - House State and Local Government, (Third Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_6](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_6)
- SB10 POLLING PLACES-VOTING MACHINES LAW (COLEY W, SMITH S)** To revise the law regarding polling places and voting machines.  
**Current Status:** 3/26/2013 - **SIGNED BY GOVERNOR**; Eff. 6/26/2013

*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_10](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_10)

- SB20**      **ELECTION LAW** (TURNER N) To revise the Election Law.  
*Current Status:* 11/18/2014 - Senate State Government Oversight and Reform, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_20](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_20)
- SB32**      **PURE FOOD AND DRUG LAW** (SCHAFFER T) To exclude manufacturers and distributors of wine and distributors of beer from regulation as food processing establishments under the Pure Food and Drug Law.  
*Current Status:* 3/12/2013 - Senate Agriculture, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_32](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_32)
- SB35**      **SPECIAL ELECTIONS** (JORDAN K) To eliminate the ability to conduct special elections in February and August.  
*Current Status:* 11/12/2014 - Senate State Government Oversight and Reform, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_35](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_35)
- SB47**      **ELECTION LAW REVISION** (SEITZ B) To revise the Election Law.  
*Current Status:* 3/22/2013 - **SIGNED BY GOVERNOR**; Eff. 6/21/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_47](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_47)
- SB70**      **OHIO CIVIL RIGHTS LAW** (TAVARES C) To specify that discrimination by an employer against any person because of the person's credit history is an unlawful discriminatory practice under the Ohio Civil Rights Law.  
*Current Status:* 10/16/2013 - Senate Commerce and Labor, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_70](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_70)
- SB91**      **DRUG MARKETING DISCLOSURES** (SKINDELL M) Regarding prescription drug marketing disclosures.  
*Current Status:* 3/20/2013 - Referred to Committee Senate Medicaid, Health and Human Services  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_91](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_91)
- SB109**     **ELECTION LAW** (OBHOF L) To revise the law regarding election administration, ballots, and candidates.  
*Current Status:* 11/26/2013 - **SIGNED BY GOVERNOR**; Eff. 2/25/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_109](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_109)
- SB110**     **VOTING PREREGISTRATION** (TURNER N) To permit sixteen and seventeen year olds to preregister to vote and to revise the law concerning compensated voter registration workers and petition circulators.  
*Current Status:* 11/18/2014 - Senate State Government Oversight and Reform, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_110](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_110)
- SB112**     **ENTERPRISE ZONE AGREEMENTS** (BEAGLE B) To extend the authority of municipal corporations and counties to enter into enterprise zone agreements with businesses until October 15, 2014.  
*Current Status:* 7/11/2013 - **SIGNED BY GOVERNOR**; Eff. 10/11/2013

*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_112](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_112)

- SB153**      **STATE AGENCY APPROPRIATIONS** (JORDAN K) To require aggregate General Revenue Fund appropriations for state agencies to be reduced by specified amounts for the biennium.  
*Current Status:* 6/26/2013 - Referred to Committee Senate Finance  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_153](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_153)
- SB182**      **OHIO WORKS FIRST DRUG TESTING PROGRAM** (SCHAFER T) To require the Director of Job and Family Services to operate an Ohio Works First drug testing pilot program and to make an appropriation.  
*Current Status:* 1/22/2014 - Senate Medicaid, Health and Human Services, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_182](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_182)
- SB202**      **CONTROL SHARE ACQUISITION ACT** (OBHOF L, KEARNEY E) To provide exceptions to the applicability of the Control Share Acquisition Act, to require board approval for Act opt-out amendments of a corporation's regulations or articles of incorporation, and to apply a three-year look-back period to ownership of shares for purposes of determining applicability of certain shareholder transaction laws.  
*Current Status:* 4/10/2014 - **SIGNED BY GOVERNOR**; Eff. 7/10/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_202](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_202)
- SB216**      **PROVISIONAL BALLOTS** (SEITZ B) To revise the law concerning provisional ballots and to specify permitted procedures for a voting location that serves more than one precinct.  
*Current Status:* 2/28/2014 - **SIGNED BY GOVERNOR**; Eff. 6/2/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_216](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_216)
- SB235**      **COMMERCIAL MOTOR VEHICLE OPERATION** (CAFARO C) To increase the penalties related to operating a commercial motor vehicle on the wrong side of an interstate freeway.  
*Current Status:* 1/28/2014 - Senate Criminal Justice, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_235](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_235)
- SB291**      **MARITIME PORTS FUNDING** (MANNING G, LAROSE F) To create a study committee to explore alternative funding mechanisms for Ohio's maritime ports.  
*Current Status:* 4/8/2014 - Senate Ways and Means, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_291](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_291)
- SB296**      **INCOMPATIBLE MOTOR FUEL-ADDITIVES** (HITE C) To create a qualified immunity from liability for the dispensing of incompatible motor fuel when the retail dealer is not involved in the fuel selection, to limit the Product Liability Law with respect to motor fuel and motor fuel additives, and to prohibit an insurer from denying a claim on the basis that an underground storage tank is not compatible with a motor fuel if the State Fire Marshal has determined that the tank and fuel are compatible.  
*Current Status:* 11/12/2014 - Senate Civil Justice, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_296](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_296)
- SB320**      **AMERICAN MADE APPAREL-STATE AGENCIES** (TAVARES C) To require state agencies to purchase only uniforms and other apparel items that are made with American textiles, materials, and supplies.  
*Current Status:* 11/18/2014 - Senate State Government Oversight and Reform, (First Hearing)

*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_320](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_320)

- SB335 BRENT SPENCE BRIDGE TOLL** (SEITZ B, KEARNEY E) To provide that a toll project may include the substantial reconstruction or replacement of an existing toll-free highway, bridge, or tunnel, to amend the law governing public-private agreements relative to transportation facilities, and to provide for the collection of user fees on toll projects by toll project operators.  
*Current Status:* 5/27/2014 - **REPORTED OUT AS AMENDED**, Senate Transportation, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_335](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_335)
- SCR2 RESHORING MONTH** (BEAGLE B) Declaring March 2013 as Reshoring Month in Ohio.  
*Current Status:* 3/20/2013 - **ADOPTED BY HOUSE**; Vote 92-0  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_2](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_2)
- SJR1 REDISTRICTING PROCESS** (SAWYER T) To revise the redistricting process for General Assembly and Congressional districts.  
*Current Status:* 12/4/2014 - Senate State Government Oversight and Reform, (Seventh Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SJR\\_1](http://www.legislature.state.oh.us/res.cfm?ID=130_SJR_1)
- SJR4 OHIO CONSTITUTION-ARTICLE II** (LAROSE F) Proposing to enact Section 1h of Article II of the Constitution of the State of Ohio to authorize the General Assembly to invalidate rules proposed or adopted under a statute, and to create and empower one or more joint committees of the Senate and House of Representatives to review rules that have been proposed or adopted under a statute and to make recommendations to the General Assembly regarding those rules.  
*Current Status:* 11/19/2013 - Senate State Government Oversight and Reform, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SJR\\_4](http://www.legislature.state.oh.us/res.cfm?ID=130_SJR_4)
- SJR5 FEDERAL BALANCED BUDGET AMENDMENT** (FABER K) Urging the Congress of the United States to propose a balanced budget amendment to the United States Constitution and applying to the Congress, pursuant to Article V of the United States Constitution, to call a convention for proposing amendments.  
*Current Status:* 11/20/2013 - Consideration of House Amendments; Vote 28-4  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SJR\\_5](http://www.legislature.state.oh.us/res.cfm?ID=130_SJR_5)
- SJR6 GENERAL OBLIGATION BONDS ISSUANCE** (BACON K, MANNING G) Proposing to enact Section 2s of Article VIII of the Constitution of the State of Ohio to permit the issuance of additional general obligation bonds to fund public infrastructure capital improvements.  
*Current Status:* 1/23/2014 - Filed with Secretary of State  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SJR\\_6](http://www.legislature.state.oh.us/res.cfm?ID=130_SJR_6)
- SR410 IMPORTED GLASS PRODUCTS** (SCHAFFER T) To urge the United States Department of Commerce to utilize all available resources to prevent dumping and the subsidization of imported glass products in the United States finished glass market.  
*Current Status:* 11/19/2014 - **REPORTED OUT**, Senate Commerce and Labor, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SR\\_410](http://www.legislature.state.oh.us/res.cfm?ID=130_SR_410)



# Manufacturing Advocacy Center

*Protect and grow Ohio manufacturing*

Dear Member,

In 2013 the Ohio House passed an important steel pipe monitoring program that was included in Section 1509.16 of Substitute House Bill 59.

**Presently, changes proposed in Substitute House Bill 490 would extend by two years, to March 31, 2017, the beginning date by which an owner of a well must file with the Division of Oil and Gas Resources Management a country of origin disclosure form under the law.** This unnecessarily delays the benefits of the law to the environment, as well as to the Ohio steel industry that makes oil field tubular goods.

This provision provided for a record keeping system of the country of origin for manufactured oil country tubular good (OCTG) steel products used in the exploration of natural gas or hazardous liquids.

The provision was in part in response to foreign pipe products illegally dumped in the United States from various foreign points of origin. Illegal dumping activity threatens Ohio's steel manufacturing sector.

Industry supports the responsible development of the Utica and Marcellus Shale in Ohio. The steel pipe monitoring program is fundamental to this aim.

Ask your state senator to remove the provision from Sub. HB 490 that delays program implementation. Click [here](#) to easily send an email to your state senator through the [Manufacturing Advocacy Center](#).

**Ryan Augsburger**  
Managing Director, OMA Public Policy Services  
[raugsburger@ohiomfg.com](mailto:raugsburger@ohiomfg.com)  
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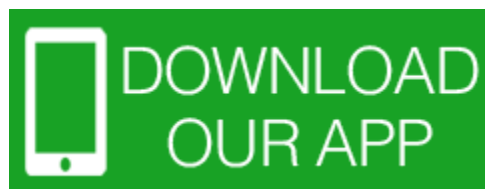


Our victory last Tuesday was both decisive and historic. **Ohioans voted the second highest margin of victory - 31% - for the Ohio Governor's race since 1855**, and this was only the second time a governor won 86 out of the 88 counties.

According to CNN Exit Polls, our team won 69% of Independent Voters, 60% of Women Voters, and 57% of Young Voters. **Check out our web video below**, and together, let's continue Ohio's comeback.



**Matt Carle**  
Campaign Manager  
[www.KasichForOhio.com](http://www.KasichForOhio.com)



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**INAUGURAL HOSTS**  
\$10,000 (Corporate or Personal)

**SUNDAY, JANUARY 11, 2015**

**Blue Stone Reception (6 tickets)**

Location: Blue Stone

Time: 7pm – 11pm

**MONDAY, JANUARY 11, 2015**

**Ceremonial Swearing in Ceremony (2 tickets)**

Location: Ohio Southern Theatre

Time: 12:00 pm

**Inaugural Host Committee Reception (4 tickets)**

Location: Ohio Governor's Residence and Heritage Garden

Time: 6:00 pm

**The Inaugural Gala Celebration – Black Tie Optional (4 VIP Tickets)**

Location: Hilton (Ball Room)

Time: 8:00 to Midnight



**FRIENDS OF THE INAUGURAL**  
Raise \$50,000 (Corporate or Personal)

**SUNDAY, JANUARY 11, 2015**

**\* Blue Stone Reception (2 tickets)**

Location: Blue Stone

Time: 7pm – 11pm

**\* Friends of The Inaugural Dinner (2 tickets)**

Location: Mitchell's Steakhouse

Time: 7 pm – 10 pm

**\* Blue Stone Reception (4 tickets)**

Location: Blue Stone

Time: 7pm – 11pm

**\* Official Swearing In (2 tickets)**

Location: Ohio Senate Chambers

Time: 11:30 pm – 12:30 am

**MONDAY, JANUARY 11, 2015**

**\* Ceremonial Swearing in Ceremony (2 tickets)**

Location: Ohio Southern Theatre

Time: 12:00 pm

**\* Inaugural Host Committee Reception (5 tickets)**

Location: Ohio Governor's Residence and Heritage Garden

Time: 6:00 pm

**\* The Inaugural Gala Celebration – Black Tie Optional (4 VIP Tickets)**

Location: Hilton (Ball Room)

Time: 8:00 to Midnight





## HOST COMMITTEE CONTRIBUTION FORM

AMOUNT: \$ \_\_\_\_\_

**PLEASE MAKE CHECK PAYABLE TO:** A New Day Committee

**PLEASE MAIL OR FAX THIS FORM TO:** Governor John R. Kasich  
145 East Rich Street, Suite 100  
Columbus, Ohio 43215  
Phone: 614-449-9541 Fax: 614-449-9569

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\_\_\_\_\_

*(please see reverse)*

**CONTRIBUTION INFORMATION**

For these new transition funds, there is no state vendor/contractor limitation similar to the \$1,000 contribution limit in R.C. 3517.13. So a state vendor/contractor can donate any amount up to the \$10,000 maximum.

The Transition Fund is required to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200. The maximum an individual or corporation may contribute is \$10,000.

EMPLOYER / CORPORATION: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_

[Please check if self-employed] \_\_\_\_\_

**CREDIT CARD CONTRIBUTION**

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Amount \$ \_\_\_\_\_ { } Corporate card { } Personal card

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Expiration Date: \_\_\_\_\_

Name as it appears on card: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Signature: \_\_\_\_\_

# OMA PUBLIC POLICY FRAMEWORK FOR ACTION

## The Ohio Manufacturers' Association

[ohiomfg.com](http://ohiomfg.com)

## Public Policy Framework for Action

Manufacturing is responsible for 17% of Ohio's Gross Domestic Product; this is greater than the contribution of any other Ohio industry sector. Manufacturing is the engine that drives Ohio's economy.

In the competitive domestic and global economies, every public policy decision that affects Ohio's business climate affects Ohio's manufacturing competitiveness. In turn, Ohio's manufacturing competitiveness determines the ability of the state to grow its economy and create jobs.

Ohio manufacturers require public policies that attract investment and protect the state's manufacturing legacy and advantage. These policies apply to a wide variety of issues that shape the business environment within which manufacturers operate.

### **MAJOR POLICY GOALS INCLUDE THE FOLLOWING:**

- **An Efficient, Competitive Tax System**
- **A Lean, Productive Workers' Compensation System**
- **Access to Reliable, Economical, Diverse Energy Resources**
- **A Fair, Stable, Predictable Civil Justice System**
- **Science-based, Technologically Achievable, and Economically Reasonable Environmental Regulations**
- **A Modern Public Resource Infrastructure**
- **An Educated, Highly Skilled Workforce**

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# Policy Goal:

## **An Efficient, Competitive Ohio Tax System**

For Ohio to be successful in a global economy, the state's tax system must encourage investment and growth. It must be competitive nationally and internationally. A globally competitive tax system is characterized by (a) certainty, (b) equity, (c) simplicity and (d) transparency. Economy of collections and convenience of payment also are important attributes.

Generally, manufacturers support efforts to broaden the tax base, which enables lower rates. To preserve the integrity of the broad tax base and ensure fairness, credits and exemptions should be reduced and discouraged. Where needed, government incentives are best structured as grants rather than as tax credits. And, in general, earmarking and dedicating tax revenues should be discouraged.

Good tax policy also generates necessary revenues to support the essential functions of government. Good budgeting and spending restraint at all levels of government are vital to a competitive tax environment.

Major tax reforms approved by the Ohio General Assembly in 2005 and additional reforms in 2011 through 2014 have led to significant improvements to a tax system that was for many years widely regarded as obsolete. These reforms reduced overall tax rates, eliminated tax on investment, and broadened the tax base, all of which provide more stable and predictable revenues, and simplify compliance.

The elimination of the tangible personal property tax, the corporate franchise tax, and the estate tax has strengthened the competitiveness of Ohio's tax system. So has the reduction of the personal income tax rate as well as the creation of a broad-based, low-rate commercial activity tax.

Going forward, these tax policy gains must be protected. Tax bases should be protected against erosion by granting narrow special interests credits and carve-outs, in order to protect the productivity of the taxes. Where possible and reasonable, tax bases should be expanded, and tax rates reduced.

In addition, the state should continue its negotiations with Ohio municipalities to streamline the collection of municipal income tax by creating a uniform statewide municipal tax code, with uniform definitions of taxable income, consistent rules and regulations, and a generic municipal income tax form.

The state's tax system would also benefit from a reduction of the number and type of taxing jurisdictions. Because of its complex layering of local and state taxes, Ohio's tax system is at a competitive disadvantage compared to other states.

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# Policy Goal:

## A Lean, Productive Workers' Compensation System

An efficient and effective workers' compensation system benefits workers, employers, and the economy of the state and is built on the following principles:

- Injured workers receive benefits that are prompt and adequate for getting back to work quickly and safely.
- Rates are established by sound actuarial principles, so that employers pay workers' compensation rates commensurate with the risk they bring to the system.
- The system is financed with well-functioning insurance mechanisms, including reserving and investment practices that assure fund solvency and stability.
- The benefit delivery system deploys best-in-class disability management practices that drive down costs for employers and improve service and outcomes for injured parties.
- The system consistently roots out fraud, whether by employers, workers or providers.

### Fundamental priorities for future action are three:

The Bureau of Workers' Compensation (BWC) should reform its medical management system to lower cost and improve medical quality through better coordination of care and development of a payment system that creates incentives for best clinical practices. In doing this, the BWC should build on emerging best practices in the private sector health care system, such as patient-centered medical homes.

The Ohio General Assembly should seek statutory reforms of benefit definitions, so that the claims adjudication process is more predictable, less susceptible to fraud and manipulation, and less costly, both for workers and employers.

The Industrial Commission should record hearings, so that the hearing process is more transparent and any appeals have a record on which to build.

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# Policy Goal:

## Access to Reliable, Economical, Diverse Energy Resources

Energy policy can enhance—or hinder—Ohio’s ability to attract business investment, stimulate economic growth and spur job creation, especially in manufacturing. State and federal energy policies must (a) ensure access to reliable, economical sources of energy, (b) support the development of a diverse energy resource mix, and (c) conserve energy to preserve our natural resources, while lowering cost.

The Ohio Manufacturers’ Association’s energy policy advocacy efforts are guided by these principles:

- Predictable, stable energy pricing achieved through effective energy rate design attracts job-creating capital investments.
- A modernized energy infrastructure will help maximize energy supplies and stabilize energy pricing and reliability.
- Strategic and operational collaboration among utilities, government and manufacturers and their supply chains produces better economic outcomes than do confrontational and adversarial regulatory proceedings.
- Ohio’s traditional industrial capabilities enable global leadership in energy technology innovation and manufacturing.
- Sustainability requirements can create profitable new market opportunities but must be economically feasible.
- Effective government regulation recognizes technical and economic realities.

Shaping energy policy in Ohio that aligns with these principles will support manufacturing competitiveness, stimulate economic expansion and job creation, and foster environmental stewardship.

### Energy policy priorities are:

Assure an open and fair electricity generation marketplace, in which competition generates consumer choice, which in turn drives innovation.

Design an economic development discount rate for energy-intensive manufacturers that makes Ohio competitive with other states.

Support deployment of customer-sited generation technologies such as cogeneration, energy efficiency and demand-side management, in order to achieve least-cost and sustainable resources.





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# Policy Goal:

## A Fair, Stable, Predictable Civil Justice System

A state's legal climate can be a major inducement or a major deterrent to business investment, growth and job creation. For manufacturers to invest and grow in Ohio, and to compete globally, Ohio's civil justice system must be rational, fair and predictable. Manufacturers must be free to innovate and pursue market opportunities without fear of unreasonable exposure to costly lawsuits, while injured parties must have full recourse to appropriate measures of justice.

The Ohio Manufacturers' Association supports policy reforms that protect consumers without overly burdening businesses, while also positioning Ohio advantageously relative to other states, and it encourages policymakers to evaluate all proposed civil justice reforms by considering these questions:

- Will the policy fairly and appropriately protect and compensate injured parties without creating a "lottery mentality"?
- Will the policy increase—or decrease—litigation burdens and costs?
- Will the policy promote—or reduce—innovation?
- Will the policy attract—or discourage—investment?
- Will the policy stimulate—or stifle—growth and job creation?

Ohio has made great strides in reforming its civil justice system over the past decade, and longer. The primary aim of the state should be to preserve those tort reform gains, in areas such as punitive damages, successor liability, collateral sources and statute of repose, which are protecting consumers without unduly burdening businesses, while positioning Ohio as an attractive state for business investment.



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# Policy Goal:

## **Science-based, Technologically Achievable, and Economically Reasonable Environmental Regulations**

Effective standards and regulations:

- Provide clarity, predictability and consistency
- Are based on scientific consensus
- Provide for common sense enforcement
- Incorporate careful cost-benefit analysis as part of the policymaking process

Manufacturers urge policymakers to exercise restraint in establishing state environmental (and other) regulations that exceed federal standards, and to avoid doing so altogether without clear and convincing evidence that more stringent regulations are necessary. At the same time, manufacturers understand that fair and reasonable regulations must be balanced with responsible stewardship of our natural resources.

Industry leads the way in solid waste reduction and recycling. Reduction and recycling include source reduction activities, reuse, recycling, composting and incineration. Industry is an enormous consumer of recycled materials, such as metals, glass, paper and plastics; manufacturers thus are strong advocates for improving recycling systems in Ohio and the nation.

In addition, industry works hard to ensure safe and healthy manufacturing environments, as well as to inform consumers through appropriate product labeling.

Looking forward, the state should resist calls for state level efforts that deviate from federal regulations, such as product composition mandates, extended producer liability policies, or product labeling mandates. Such requirements are best addressed at the federal level rather than through a patchwork of differing state-level requirements.

The state should expand opportunities for industry to reuse non-harmful waste streams. Beneficial reuse policies can result in less waste and more recycling of industrial byproducts. Likewise, Ohio should continue to expand recycling programs that provide feedstock for the state's industrial processes.

The Ohio Environment Protection Agency, in designing state implementation plans for new federal regulations, should use a transparent process of stakeholder involvement, supplemented by investment in independent research to determine least cost, scientifically sound and technologically feasible implementation plans.



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# Policy Goal:

## A Modern Public Resource Infrastructure

To remain competitive and maximize the economic benefits of Ohio's manufacturing strength, the state must continue to invest in updating and expanding Ohio's multi-modal transportation infrastructure, including roads, bridges, rails and ports. Continued investment in these resources is critical to providing Ohio manufacturers with flexible, efficient, cost-effective shipping options.

### Infrastructure policy priorities include the following:

Modify Ohio's rules and regulations to allow greater flexibility and efficiency in the truck permitting process and to ensure Ohio's truck permitting standards and processes are competitive with other states with regard to requirements, fees and responsiveness.

Enhance shipping flexibility by supporting the federal Safe and Efficient Transportation Act. This legislation would allow states to tailor regulations to meet state-level transportation needs linked to a state's particular economic assets and strengths.

Preserve access to and provide responsible management of Ohio's sources of water.

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# Policy Goal:

## An Educated, Highly Skilled Workforce

A robust economy requires a reliable supply of workers who have the technical knowledge and skills required to meet global standards for quality and productivity, and who are able to think critically, work collaboratively and drive innovation. Sustained growth in manufacturing productivity will require not only a new generation of globally competent workers interested in the variety of roles within manufacturing careers but also incumbent workers willing to embrace lifelong learning so they can continuously upgrade their competencies to keep pace with technological advancements and global competition.

### Workforce development policy priorities include the following:

Expand the use of the National Association of Manufacturers' "Manufacturing Skills Certification System." This system of nationally portable, industry recognized, "stackable" credentials is applicable to all sectors in the manufacturing industry. The credentials validate foundational skills and competencies needed to be productive and successful in entry-level positions in any manufacturing environment. Credentials can be earned from both secondary and postsecondary educational programs.

Expand the use of cooperative education, internships and apprenticeships. These experiential learning programs enhance talent recruitment and retention because participating students are exposed to company-specific, real-world job expectations and experiences. Students develop strong leadership and management skills by working closely with company staff who serve as their mentors/supervisors, and participating companies benefit from reduced recruitment and training costs.

Continue the work of the Governor's Office of Workforce Transformation in reforming the workforce development system. The system has been fragmented (91 programs, 13 agencies) and misaligned to employer knowledge and skill needs. Common goals, measures, and talent pipeline development through industry workforce alliances will benefit both job-seeking workers and worker-seeking businesses.



# OMA Committee Meeting Participant Survey Results

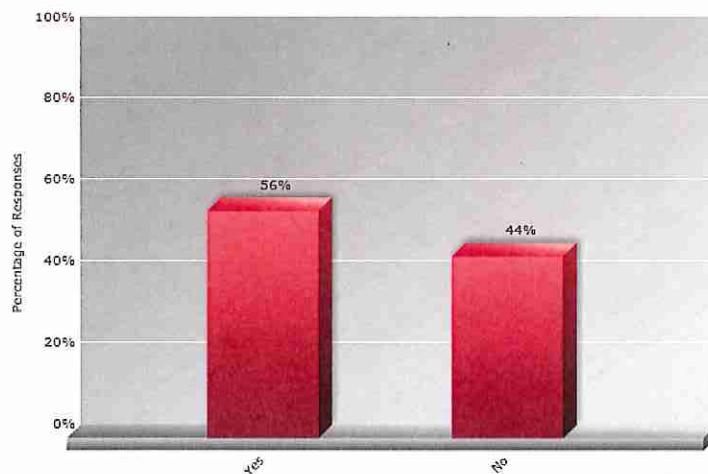
August 2014



## Have you attended a committee meeting IN PERSON in the past year?

Answer	Percentage	Number
Yes	56 %	15
No	44 %	12

Number of Respondents: 27



## **What was the best part about attending an OMA policy committee meeting in person?**

### **Themes:**

- **Information** – “The information on how pending policies impact the economics of business in Ohio.”
- **Networking** - “I enjoy the personal interaction and the important sidebar conversations.”
- **Access to elected officials** – “Hearing directly from administration or legislative representatives.”
- **Meeting design** – “It is easier to ask questions of the guest speakers when you are in the room.”

## **What changes to policy committee meetings should OMA consider?**

### **Time management –**

“Sometimes there is not enough time to properly accomplish the business.”

“I'd like to figure out way to attend without losing the entire day from the office.”

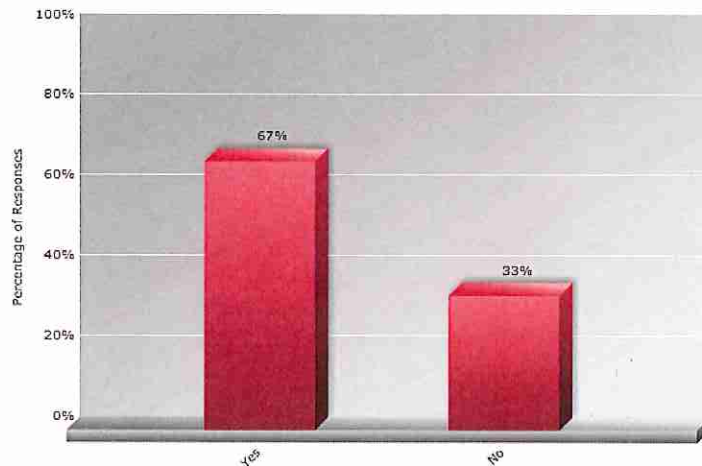
“More time for networking, shared perspectives, learning through interaction.”

“Lengthen them.”

“Shorten them.”

## Have you participated in an OMA policy committee meeting VIA PHONE in the past year?

Answer	Percentage	Number
Yes	67 %	16
No	33 %	8
Number of Respondents: 24		



## What would improve OMA policy committee meeting participation via phone?

### Themes:

**Interaction** — “Ask people on the phone for their reactions more frequently.”

### Technology

“Webinar or improved system that does not allow callers to interfere with the meeting.”

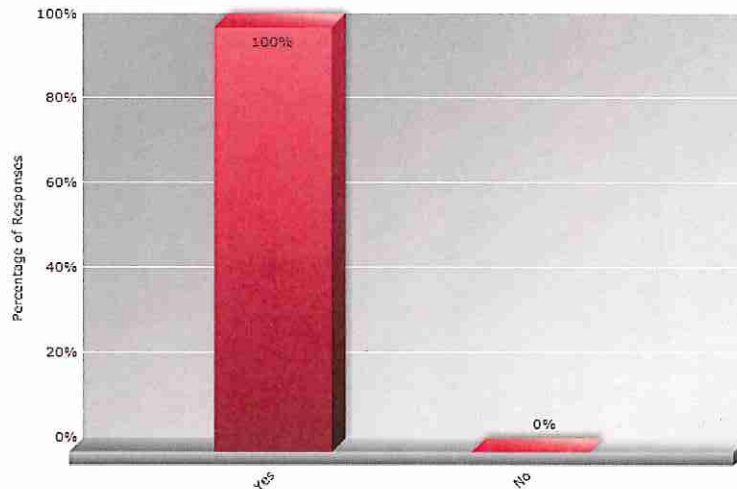
“It would be nice to be able to view the meetings by internet.”

“It is difficult to hear the speakers and attendees who have questions or comments.”



## OMA emails the committee materials to you whether or not you register for the policy committee meeting(s). Is this of value to you?

Answer	Percentage	Number
Yes	100 %	20
Number of Respondents: 20		



## Should OMA consider any changes to the meeting materials?

“Making sure they are as brief as possible while still being meaningful.”

“Adding an executive summary.”

“More detailed index.”

“Have archives online for reference.” (See [ohiomfg.com](http://ohiomfg.com) footer)



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**To: OMA Government Affairs Committee**  
**From: Ryan Augsburger / Rob Brundrett**  
**Re: Energy Public Policy Report**  
**Date: December 3, 2014**

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### **Electricity Rates and Regulation**

Utility cases approved by the PUCO in 2012 and 2013 signaled a sea change in the way Ohio regulates and prices electricity for all customer classes. The new environment raises questions on the role of government and the role of programs designed to help customers manage electricity consumption. The OMA Energy Group has been heavily engaged in matters pending before the PUCO and PJM. Recent market trends have seen utilities sell generation assets while seeking guaranteed returns on power purchase agreements. See counsel's report and PPA white paper.

### **Federal Greenhouse Gas Regulations GHG and 111(d)**

Comment period closed December 1 on proposed USEPA regulations of GHG emissions under the existing Clean Air Act. The OMA is working with the NAM and with other interests in a national coalition. At the same time staff has participated in talks with state officials from Ohio EPA and the PUCO responsible for the state's comment. State legislation to empower state regulators has been approved in one chamber but has stalled out. See environment report for more information on comments.

### **Capacity Prices**

Capacity prices, a portion of an electricity bill, are set by three-year looking forward auctions at PJM, will increase beginning in summer of 2015, dramatically so in FirstEnergy service territory where the capacity charge will be significantly increased. Ask staff for an overview document.

As a result of the "polar vortex" of 2014, late this summer, PJM issued a proposed revision and invited comment. See Sept 18 meeting materials. OMA filed comment with PJM earlier this autumn.

### **Energy Efficiency Legislation (SB 58 / HB 302 / SB 310)**

Legislation to revise Ohio's energy standards was signed into law by Governor Kasich following swift legislative action this Spring. The issue has been reported and discussed at OMA meetings for nearly two years.

Recall the legislation revised existing Ohio energy policy on renewables, efficiency, and "advanced energy." After thoroughly researching the matter, the OMA adopted a position supportive of continued efficiency standards and a streamlined opt-out from the rider costs for industrial customers. OMA-commissioned research demonstrated that benefits of Ohio efficiency standards outweigh their costs and that large energy users may need the option to opt-out.

After SB 58 stalled late in 2013 due to concern in the Senate about the bill's effect of enriching electric utilities by significantly increasing consumer bills, SB 310 was introduced in March. SB 310 froze the alternative energy standards for two years and created a legislative study committee to assess the impacts of the standards. The bill also revised what constitutes as energy efficiency and provides an industrial opt-out. Governor Kasich signed the bill into law in mid-June. Contact staff for a detailed analysis.

A work group of OMA members developed legislative language that would provide a streamlined energy efficiency opt-out option for large industrial electricity users that did not compromise costs for other consumers. Together with a customer cost cap (on energy efficiency costs) the OMA fashioned a compromise proposal that also would have provided a study committee and either benchmark reduction or one-year freeze. This compromise enjoyed broad support but was not adopted.

The study committee has been appointed and held its first meeting on November 24 to hear a presentation from the PUCO Chairman. A couple members of the all-legislator study committee will not be returning next year so substitutions are expected.

### **Manufactured Gas Plant Remediation Costs**

In Spring of 2013, lawmakers advanced a legislative proposal to revise a standard in utility law that would have required customers to pay cost-recovery to utilities for remediation of obsolete manufactured gas plants. Governor Kasich vetoed the cost expansion legislation contained in the state budget bill, but that did not deter the General Assembly from trying it again.

In response to member concerns, the OMA formed a work group for manufacturers to study the issue and advocate industry concerns against any such proposal and continues to communicate concerns.

The 2014 mid-biennium review (MBR) or mini-budget bill (HB 483) initially included a provision that would require customers to pay gas utilities to recover the cost of remediating these old plants. The OMA and member companies worked to have these provisions removed from the bill. The Senate did not reinsert the language as the MBR went through the Senate committee process, however all eyes are on the “lame duck” general assembly now underway. Tools are available for manufacturers to take action.

Aside from a possible law change, a request for cost-recovery by Duke has been approved by the PUCO, even though the request seems to violate a state standard. The OMA Energy Group intervened in Duke Energy’s gas distribution case before the PUCO case and is appealing the unfavorable decision. The Ohio Supreme Court handed us a partial victory in May but a final outcome is many months away in the complex litigation.

### **Polar Vortex *Pass-Through* Charges**

Generation customers of First Energy Solutions (FES) were notified by the provider that they would be billed for a regulatory event associated with the polar vortex power shortages in January. The one-time charge is outside the terms of the contract. If allowed by regulators, the charges would result in an unfavorable precedent for all customers. Several OMA members are working collectively to contest the charges. Contact staff to learn more.

### **New Gas Rider Could Pay for Line Extensions (HB 319)**

Legislators are considering House Bill 319 (Cheryl Grossman, R-Grove City) that would permit a natural gas company to establish a rider to fund gas infrastructure development. This bill has not had a hearing since February however several interested party meetings have been held over the past months. Representatives of Columbia Gas, the leading proponent, appeared at the OMA energy committee in March to make the case and respond to questions. OMA staff and counsel worked with proponents to improve the bill by adopting clear customer cost caps (\$3 per customer per year). Proponents are pushing for passage yet this year. An identical companion, SB 391, has been introduced and referred to the Senate Public Utilities Committee.

The issue raises questions over the role of state government to support economic development within a deregulated utility environment.



## Ohio Electric Utilities' Proposed Power Purchase Agreement Riders

### EXECUTIVE BRIEFING

American Electric Power (AEP), Duke Energy (Duke) and FirstEnergy (FE) have recently filed applications for Electric Security Plans (ESPs) with the Public Utilities Commission of Ohio (PUCO). Among other provisions, the ESPs seek to establish generation service rates for the utilities' respective Standard Service Offers (SSOs), distribution-related charges, and nonbypassable riders that all customers would be required to pay to subsidize certain generating facilities owned partially or wholly by the utilities or their unregulated competitive generation affiliates. Specifically:

- AEP initially proposed a three-year power purchase agreement (PPA) rider (Rider PPA) to monetize the utility's entitlement share of the Ohio Valley Electric Corporation (OVEC) generating plants with the opportunity for expansion. AEP recently filed an application to expand the rider to also include costs associated with a life-of-unit PPA with its unregulated competitive affiliate, AEP Generation Resources, for generation from nine specified coal-fired generating units.
  - Projected Impact: Over the term of the ESP (June 2015 through May 2018), customers could be exposed to between \$82 million and \$116 million for the OVEC assets alone. As projected by AEP, the additional expansion proposal could cost customers an additional \$1.1 billion over nine-and-a-half years.<sup>1</sup>
- Duke's ESP contains a proposed rider (Rider PSR) similar to AEP's initial rider proposal in that it seeks to monetize Duke's entitlement share in the OVEC generating units. The major difference is that Duke is asking the PUCO to approve the rider for as long as Duke owns the entitlement to OVEC, which is currently projected to be through 2040.
  - Projected Impact: Duke has projected that the cost to customers would be \$22 million for the OVEC assets over the term of the ESP (June 2015 through May 2018), and a cost of \$633,000 over a 10-year period (2015-2024).<sup>2</sup> Other parties have projected much higher costs.
- FirstEnergy's ESP contains a proposed rider (Rider RRS) that will allow the utility to collect costs associated with a PPA with its unregulated competitive generation affiliate, FirstEnergy Solutions (FES), for power from FES's Sammis coal-fired generating plant, Davis-Besse nuclear generating plant, and its share of OVEC. FirstEnergy seeks approval of its proposed rider for a 15-year period (June 2016 through May 2031).

<sup>1</sup> AEP's estimate based on a 5 percent lower load forecast. Collectively, AEP's projections range from a cost of \$1.1 billion to consumers to a benefit of \$1.5 billion. See Pearce Testimony at Exhibit KDP-2, Case No. 14-1693-EL-RDR.

<sup>2</sup> See OCC Ex. 4, Case No. 14-841-EL-SSO.

- **Projected Impact:** FirstEnergy has projected that the cost to customers would be \$419.4 million over the term of the ESP (June 2016 through May 2019).<sup>3</sup> The FirstEnergy rider includes customer subsidization of an 11.15 percent return on equity for FES.

FirstEnergy's proposed rider is for costs associated with approximately 3,244 MW of generation and AEP's is for costs associated with approximately 6,263 MW. Both are substantially larger than Duke's proposal.

### **How the PPAs and Proposed Riders Would Work**

The utilities are seeking regulatory approval to sell into the PJM wholesale market all of the generation output they are entitled to from their existing OVEC generation agreements and/or the proposed PPAs with their affiliates at rates that may be higher – or lower – than the price the utilities pay for the OVEC/PPA generation. If the PUCO approves the PPAs, the difference between the PJM market price and the OVEC/PPA contract price, whether it is a net cost or a net benefit, would be passed on to customers. So, if the PJM market price is higher than the price the utility pays for generation through its contracts, the resulting net increase in revenue would be reflected as a credit on customers' bills; alternatively, if the market price is lower than the price the utility pays, customers would pay the net additional generation cost in the form of a surcharge. The utilities are always made whole and guaranteed recovery of the cost of the generation under the contracts.

The proposed PPA riders are nonbypassable. They would be paid by all customers in the utility's service territory – regardless of whether the customer purchases its generation service from the utility or a competitive generation supplier.

#### **What the Utilities Say: *A hedge against market price volatility***

The utilities characterize the proposed PPAs as a useful "hedge" or insurance policy against market volatility, which they claim will protect consumers over the long term. The utilities argue that a shortage of generation in Ohio and throughout PJM may cause increases in both energy and capacity prices. The utilities have intimated that the affiliate-owned generation units may not be economical and may be required to shut down if the utilities' PPA proposals to have customers pay the costs to run those units are rejected by the PUCO. They contend the PPAs will help ensure that coal-fired and nuclear power plants continue to operate so Ohio will have adequate supplies of generation.

#### **What Concerned Stakeholders Say: *A subsidized bailout for utilities' business decisions***

Opponents of the proposed PPAs regard the proposals as nothing more than a large-scale government and consumer bailout of utilities (including their affiliates) that already have received billions of dollars in stranded cost recovery from their customers as part of Ohio's transition to a competitive retail electricity marketplace. Opponents believe the utilities are

<sup>3</sup> FirstEnergy projects a benefit to customers over the 15-year period in the amount of \$2.1 billion. See Ruberto Testimony at Exhibit JAR-1, Case No. 14-1297-EL-SSO.

seeking relief from financial pressures caused in part by the combination of an aging and increasingly uneconomical generation fleet; new supplies of natural gas driving down the price of power; and increased growth of energy efficiency, demand response programs and renewable energy – but also by the regulated utilities’ and their competitive generation affiliates’ own business decisions.

The proposed PPAs, opponents say, are a play by utilities to secure, through regulatory intervention and customer subsidies, guaranteed profits and cost recovery from selected generation assets regardless of the market value of the power produced by those assets and regardless of their operational, maintenance and environmental compliance costs. Opponents believe the PPAs represent an unwarranted shifting of costs and risk from utility shareholders to utility customers – a reversal that is inconsistent with the intent of Ohio’s electric restructuring law. In competitive markets, investors – not consumers – bear the risk of bad business decisions.

Opponents of the utilities’ PPA proposals note that the generating plants at issue do not directly serve Ohio customers, but are dispatched into the region through PJM. The generation owners have no control over whether the power will serve Ohio customers or a neighboring state. Opponents also rely on PJM’s estimates of the amount of new generation scheduled to come online and its estimated reserve margins in the 20 percent range for the foreseeable future to dispel the notion that there is a shortage of generation.

### **Potential Impact on Electricity Customers**

PUCO approval of the utilities’ proposed PPAs would impact consumers in many ways:

- **Customers will pay higher prices, with no new benefits.** The proposed PPAs will force all customers to pay a generation surcharge for which they will receive no certain or guaranteed benefits. The only “guarantee” is for the utilities and/or their affiliates – they get a guaranteed rate of return and guaranteed full cost recovery.
- **Customers will be forced to pay twice for generation service.** If the PPAs are allowed, customers will pay twice for electricity – first, for the power they purchase from their incumbent utility or their alternative supplier, and then additionally via a PPA surcharge.
- **Customers will lose access to lowest available market prices.** The proposed PPAs will deny customers the ability to purchase electricity at the lowest price available in the competitive marketplace, putting Ohio businesses at a disadvantage *vis a vis* competitors in surrounding states who do not face similar nonbypassable generation charges.
- **Customers will have fewer choices.** By providing utilities and/or their affiliates with what essentially is a “guaranteed rate of return” for generating plants owned by competitive suppliers, the proposed PPAs are inconsistent with Ohio’s transition to a competitive marketplace for electricity. This anti-competitive step backward will thwart supplier participation in the Ohio market – participation that is helping to drive innovation and keep electricity prices low.

- **Ohio will suffer economic harm from the resulting disincentive to invest in new generation.** New sources of generation (e.g., natural gas) will not have the benefit of the PPA “subsidies” that have been proposed for power produced by certain inefficient and uneconomic generation plants in utility territories. This competitive disadvantage will serve as a disincentive to new generation investment in our state and region, which ultimately will drive prices upward and undermine economic development and job creation.

### **Summary of the Potential Cost Impact on Electricity Customers**

All three distribution utilities acknowledge that the proposed riders will result in higher costs for customers in the short term but claim the locked-in PPA prices will produce benefits in the long run. Numerous interveners in the ESP cases contend, however, that the riders will result in a net cost for customers over the long run.

Following is a summary of the projected cost to customers based on the utilities’ own numbers, as noted throughout this document:

- AEP customers could pay increased costs totaling between \$82 million and \$116 million for AEP’s OVEC assets, plus an additional \$1.1 billion if the utility’s expanded PPA application is approved.
- Duke customers could pay \$22 million for Duke’s OVEC assets over the term of the ESP (June 2015 through May 2018), plus \$633,00 from 2015-2024.
- FirstEnergy customers could pay \$419.4 million over the term of the ESP (June 2016 through May 2019).

Collectively, based on the utilities’ own numbers, customers across Ohio could pay in excess of \$1.647 billion if the utilities’ PPA rider proposals are approved.

### **Where Things Stand Today**

Hearings for AEP’s original ESP filing are completed and AEP is waiting for a schedule on its expanded PPA plan. Hearings for Duke’s ESP began in October 2014, with hearings for FE’s ESP scheduled to follow in January 2015. To date, PUCO staff has strongly recommended that Commissioners reject AEP’s and Duke’s proposed riders.

# # #



## Energy

### Is the Electricity Grid Ready for Winter?

PJM's president and CEO, Terry Boston, [says it is](#).

The publication Platt's reports: "Transmission enhancements within PJM allow the grid operator to move power within its region better than a year ago, and improved coordination among generators and natural gas pipelines should ease gas supply concerns of some generators, Boston said..."

With winter approaching, "we're in much better shape than last year," including the addition of dual-fuel capabilities at some power plants, Boston said. Adding the ability to burn fuel oil or some other fuel at a gas-fired power plant probably is less expensive for plant owners than signing firm gas supply contracts to ensure the facilities will be available during winter peak demand season, he said." 11/19/2014

### Upcoming FERC Meetings in Ohio to Scope Rover Pipeline Project

At the November meeting of the OMA Energy Committee, members heard a [presentation](#) by Gretchen Krueger of Energy Transfer Company, the developer of the Rover Pipeline project. The project will transport natural gas through Ohio from the Utica and Marcellus region.

Federal government approval is necessary for the project. This week the U.S. Federal Energy Regulatory Commission (FERC) began a series of public scoping meetings in Ohio and other affected states.

As the project will be an economic boon for Ohio, manufacturers are encouraged to attend a hearing and/or offer written comment. This FERC [public notice](#) contains the calendar of upcoming field hearings, including Defiance on December 2, New Washington on December 3, and Navarre on December 4.

Contact OMA's [Ryan Augsburger](#) for more information or assistance on how to participate in the comment process. 11/20/2014

### Legislative Energy Study Committee to Meet

Chairmen Sen. Troy Balderson (R - Zanesville) and Rep. Peter Stautberg (R - Cincinnati) this week issued a [public notice](#) convening the "Energy Mandates Study Committee" on Monday, November 24, 2014.

The committee was created by SB 310 which passed earlier this session and is comprised of state representatives and state senators. It is charged with studying Ohio's renewable energy, energy efficiency, and peak demand reduction mandates. A presentation by the Public Utilities Commission of Ohio is planned. 11/20/2014

### Millions in "MGP" Costs Might be Passed to Consumers Soon

Together with the Ohio Consumers' Counsel and Kroger, the OMA is in litigation appealing a Public Utility Commission of Ohio decision to allow Duke Energy to collect millions of dollars from customers for old, long out of use "manufactured gas plants" (MGPs).

The Supreme Court of Ohio has issued a ruling that requires the appellant to post a bond in the amount of \$2,506,295 with the Clerk of the Court in order to continue a stay of collections. If the appellants fail to post the bond by November 15, 2014, the stay will be lifted and Duke will begin to collect from customers \$55.5 million in costs associated with the MGPs.

Duke would continue collections until such time as the litigation is concluded, sometime next year.

Meanwhile, rumors are afloat in the Statehouse that utilities are looking for a lame duck amendment that would statutorily allow for collections of these (useless to customers) MGP costs. 11/13/2014

### OMA: Make Electricity Bill Rider Cost Disclosures "Apples to Apples"

The OMA Energy Group, a subsidiary membership group of the OMA, this week filed [comments](#) to a proposed Public Utilities Commission of Ohio (PUCO) rule concerning disclosure to customers of the costs of renewable energy resource, energy efficiency savings, and peak demand reduction requirements. The energy group urges the PUCO to assure that disclosures are true "apples to apples" comparisons, in order to inform consumer decision-making.

The comments note: "The energy efficiency/peak demand reduction (EE/PDR) riders have historically shown extreme volatility in some utility territories. This illustrates that the EE/PDR rider reflects *recovery* of compliance costs, not *actual* compliance costs. The difference between recovery of rider amounts and actual compliance costs is not insignificant to consumers. EE/PDR riders have shown to have spiked (most notably in FirstEnergy's service territories in fall 2012), followed by declines so steep they often result in credits to consumers (again, most notably in FirstEnergy's service territories in early 2013)."

"The rider spikes and crashes affect consumer decisions. For example, anecdotally, many mercantile customers were informed of 2012 rider spikes and encouraged by some utilities and consultants to self-direct projects to gain rider exemption, only to forego the coming credits in 2013. Customers acting on the price signal of a rider spike may have lost revenue," wrote the energy group. 11/6/2014

## NERC: More Engineering Analysis Needed on Carbon Rule

The North American Electric Reliability Council (NERC) this week released its [study](#) of the potential grid reliability effects of the U.S. EPA's proposed Clean Power Rule under section 111(d) of the Clean Air Act. Its conclusion: More time and more analysis are needed for reliability protection.

"The bulk power system is undergoing a fundamental transformation toward increasing dependency on natural gas, wind and solar resources. The Clean Power Plan substantially accelerates that shift and proposes a very different mix of power resources than we have today," said Gerry Cauley, president and chief executive officer at NERC.

"Based on our preliminary assessment of the proposed rule, we believe there must be further detailed engineering analysis to demonstrate whether the assumptions and targets are feasible in the timeframe proposed," he said.

"The proposed timeline does not provide enough time to develop sufficient resources to ensure continued reliable operation of the electric grid by 2020. More time for implementation may be needed to accommodate reliability enhancements," according to the report. *11/6/2014*

## U.S. EPA Claims Flexibility on Carbon Rules

This week, the U.S. EPA released a [Notice of Data Availability](#), in which it invited further comment from stakeholders in three areas of its proposed power plant carbon rules: the 2020-2029 glide path for emission reductions, the plan's "building blocks," and the methodology for calculating state-specific carbon goals.

The agency appears to be reacting to criticisms that the rules are technically flawed and economically damaging. Its notice states: "(S)takeholders have expressed a concern that shifting generation away from existing generating assets, particularly coal-fired [electricity generating units], could, in some situations, result in limiting cost-effective options."

The EPA is also inviting comment on whether it should move from using 2012 as the plan's baseline: "The EPA is seeking comment on whether we should use a different single data year or the average of a combination of years (such as 2010, 2011, and 2012) to calculate the state fossil fuel emission rates used in state goal calculations." *10/30/2014*

## U.S. EPA Out of Sync with Voters

The Partnership for a Better Energy Future (PBEF), of which OMA is a member, commissioned a nationwide survey of 1,340 likely voters about the U.S. EPA's Clean Power Plan, which proposes to reduce power plant carbon emissions.

Among the [findings](#):

- A plurality of voters are opposed to the EPA regulations: 47% of voters oppose the regulations, with 31% strongly opposed; 44% support the regulations, with just 19% strongly supporting them. Men, seniors and middle-class voters are the most strongly opposed to the regulations.
- Nearly 4 in 10 voters are less likely to vote for a candidate who supports the EPA regulations: 39% of voters are less likely to vote for a candidate who supports the regulations while 22% are more likely to vote for a candidate who supports the regulations.
- Nearly half of voters say they are not willing to pay a single dollar more in their energy bill to accommodate the EPA regulations: 45% of voters say they are not willing to pay more in their monthly energy bill.
- A majority of voters believe the United States cannot afford new costs and potential job losses resulting from the EPA regulations.
- Almost three-quarters of voters say they want all-of-the-above energy policies. *10/22/2014*

## Grid Operator Proposes Diluting Demand Response Benefits

Earlier this month PJM, the electricity grid operator for this region of the country, released a [whitepaper](#) on demand response (DR). In it, PJM makes proposals that could greatly reduce the value of DR programs for manufacturers going forward. The proposals could affect current contracts, and, ultimately, increase capacity prices significantly.

[EnerNoc](#) will present on the development at the November 13 meeting of the OMA Energy Committee. EnerNoc works with manufacturers, and others, to aggregate DR and manage DR bid processes. Register for the committee meeting [here](#). *10/23/2014*

## Sign Up for CHP Tour of OMA Member, Jay Industries, Inc., in Mansfield

The [OMA CHP/WER/EE work group](#) has a limited number of spaces remaining for its November 12 tour of Jay Industries, Inc.'s new combined heat and power (CHP) plant in Mansfield.

The tour will be 10:00 - 11:30 a.m. followed by a lunch discussion hosted by IGS Energy.

CHP plants generate electricity on-site while utilizing the waste heat to generate hot-water, steam, or chilled water. CHP plants use natural gas and have an overall efficiency of about 75%, which exceeds the overall combined efficiency of traditional centralized power plants and boilers, which are typically 50% efficient.

To find out more or reserve your spot, contact OMA's energy engineering consultant, [John Seryak](#), of Go Sustainable Energy LLC.

The OMA CHP/WER/EE work group is a peer-sharing, learning group for facility and energy managers charged with managing energy consumption and peak demand in their facilities. Learn more or join [here](#).

Is your plant a good candidate for CHP? As an OMA member, you are eligible for a free screening analysis from Go Sustainable Energy LLC. Contact [John Seryak](#). 10/22/2014

### **In-State Renewable Generation Standards to be Cancelled**

On October 15, the Public Utilities Commission of Ohio (PUCO) issued an [entry](#) directing PUCO staff to propose rules amending Ohio Adm. Code 4901:1-40-03 in order to eliminate the in-state renewable energy requirement. The revisions incorporate recently enacted S.B. 310 into the commission's regulations. 10/23/2014

### **Should Consumers Subsidize Utilities?**

Three of Ohio's four investor-owned utilities have rate cases pending before the Ohio Public Utilities Commission (PUCO) that would impose nonbypassable riders on all electricity consumers to subsidize the continued operation of uneconomic generation units.

The proposals are so significant to the operation of the electricity markets in PJM (which manages the markets in Ohio and 12 other states) that its Independent Market Monitor has filed a [motion to intervene](#). In it, the market monitor says: "The Market Monitor takes the position that subsidies should not be permitted to interfere with the competitiveness of PJM markets and PJM's competition-based market design."

A [national coalition notes](#): "This amounts to a hidden tax on the state's consumers and businesses and Ohio's economy, and represents a threat to the realization of the competitive market's benefits."

To learn what you can do about this issue, contact [Ryan Augsburger](#).

### **FirstEnergy Seeking a "Subsidized Turnaround?"**

The [Institute for Energy Economics and Financial Analysis](#) this week released a [study](#) that paints a stark picture of the financial condition of FirstEnergy. The study, "FirstEnergy, A Major Utility Seeks a Subsidized Turnaround," claims FirstEnergy "turning to regulatory capture and ratepayer bailouts as it struggles to reverse a deepening spiral of debt service and revenue declines."

"FirstEnergy's financial condition has deteriorated since it merged with Allegheny, and its key financial metrics are on a downward trajectory. Over the past three years, it has experienced declining revenues, declining net income, declining stock price, declining dividends, and rising debt... To shore up its balance sheet, FirstEnergy has relied heavily on "one-time resources," including proceeds from asset sales and short-term borrowings. FirstEnergy's poor financial performance stems from the underlying condition that the company's business – the sale of electricity – is performing poorly and not generating sufficient revenue to cover expenses," write the researchers.

The study concludes: "FirstEnergy's regulatory and political strategies are aimed to squeeze as much profit as possible out of the regulated subsidiaries, while using the regulated subsidiaries and other taxpayer subsidies to prop up its failed merchant generation business. But despite the above initiatives, FE's financial situation has not turned around, and the company is still burdened by excessively high levels of debt. FE's reliance on subsidies and bailouts – while costly to ratepayers – will not solve the underlying downward slide of the company's financial performance." 10/8/2014

### **AEP Wants Customers Liable for Plant Losses**

AEP Ohio filed with the Public Utilities Commission of Ohio a proposal to make customers liable for losses from four more generation plants last week. Earlier in the year, AEP had proposed the same guarantee for another entity, the Ohio Valley Electric Corporation, which it owns jointly with other utilities and which operates a 60 old plant in Ohio (and one in Indiana).

The new plan would make customers liable for losses for 2,700 megawatts of generation from the Cardinal Unit 1 in Jefferson County, the Conesville Units 4, 5 and 6 in Coshocton County, the Stuart Units 1 – 4 in Brown County, and Zimmer Unit 1 in Clermont County.

Under the proposal, AEP says it could bid all energy and capacity from the units into the PJM market and pass on any costs, or savings, to customers through a non-bypassable power purchase agreement rider. 10/9/2014

### **Bill to Subsidize New Steel Plant May be Taken Up**

Last week, Sen. Bill Seitz, chairman of the Senate Public Utilities Committee, told an audience of energy suppliers that a legislative proposal (SB 312) could be revised and considered during the lame duck session.

The bill would enable New Steel Company to finance its proposed pig iron plant in Scioto county by allowing a statewide rider on electricity bills to subsidize the project.

New Steel Company seeks to obtain a power purchase agreement with a utility to buy electricity generated onsite by a combined heat and power facility.

House Bill 312 permits an electric distribution utility to recover the costs of economic and job retention programs, via approved “reasonable arrangements,” from all electric utility customers in the state. This represents a change from existing economic and job development regulations, which permit an electric utility to recover costs for such reasonable arrangements only from customers located in the utility’s certified territory or within the same holding company.

Member companies that are interested in helping to develop manufacturers' policy position on SB 312 are urged to contact OMA's [Ryan Augsburger](#). 10/9/2014

### **Legislative Energy Study Committee Seated**

Senate Bill 310, passed earlier this year provided for a two-year freeze of Ohio's energy efficiency standards and called for a study committee that would report back at the end of 2016 about whether the freeze should be continued.

Last month, Senate President Keith Faber (R – Celina) announced appointments to the committee including Senators Troy Balderson, co-chair, Bill Seitz, Cliff Hite, Bob Peterson, Shirley Smith, and Capri Cafaro.

This week House Speaker Bill Batchelder announced House appointments would be Reps. Peter Stautberg, co-chair, Ron Amstutz, Christina Hagan, Louis Blessing, Jack Cera, and Michael Stinziano.

The panel could commence its work as soon as this fall's lame duck session 10/9/2014

### **OMA Members File Complaint Against FES for “Polar Vortex” Charges**

On September 12, eighteen OMA members, including Whirlpool Corp., Cooper Tire & Rubber Co., Campbell Soup Co., and Navistar, Inc., jointly filed a [complaint](#) against FirstEnergy Solutions (FES) stemming from surcharges billed for the “polar vortex” pass-through event from January 2014.

The complaint asserts that FES violated Ohio statutes and Public Utilities Commission of Ohio (PUCO) rules by, among other things, engaging in unfair, misleading, deceptive, or unconscionable acts or practices in the marketing and administration of customer contracts. The complaint also asserts that FES set forth no foundation for the calculation of the regional transmission organization (RTO) expense surcharges included in customer bills.

The PUCO is also independently conducting an investigation of the FES surcharges. 9/29/2014

### **The Gift of Cost Recovery**

Once a month, [OMA's Energy Guide](#), a service that helps members purchase energy at the best price and terms, publishes [INSIGHTS](#), a short blog about hot topics in energy purchasing, markets, or management.

Subscribe at no charge at [My OMA](#), under My Publications, or email [us](#).

Here's the October post, *The Gift of Cost Recovery*: More and more headlines are going to be reading that Ohio is re-regulating generation, and in a sense they may be right. AEP Ohio, Duke Energy and FirstEnergy Corp. all have rate cases pending at the Public Utility Commission that includes a Power Purchase Agreement (PPA) Rider. This rider would guarantee the regulated utilities a .... [read more](#). 9/26/2014

### **Utility Plans for Energy-Efficiency Diverge Under SB 310**

Ohio's investor-owned utilities are planning markedly different implementation strategies for their energy-efficiency programs as they react to Ohio's Substitute Senate Bill 310 (SB 310), which took effect earlier this month.

Utilities have 30 days from the law's effective date to amend their efficiency program offerings to follow new rules created by SB 310. SB 310 allows utilities to determine which set of rules, pre or post-SB310, to follow at their sole discretion. Without amendment, utility programs automatically extend through 2016 under the pre-SB 310 rules. The Public Utilities Commission of Ohio (PUCO) has 60 days to approve, approve in part or reject the utilities' amended plans.

Read more [here](#). 9/25/2014

### **Utility Power Purchase Agreements Limit Price Competition**

Addressing the OMA Energy Committee last week, Lael Campbell, director of state regulatory and government affairs for the Exelon company, shared a [presentation](#) detailing how applications pending at the PUCO filed by Ohio distribution utilities to purchase power from their subsidiary-owned generation plants will lead to less customer choice, effectively driving out the benefits of competition. 9/25/2014



## Energy Legislation

Prepared by: The Ohio Manufacturers' Association  
Report created on December 1, 2014

- HB12**      **LICENSED OPERATOR REQUIREMENT (ROEGNER K)** To eliminate the licensed operator requirement for gaseous fuel and fuel oil fired boilers that comply with certain safety and engineering standards.  
*Current Status:* 10/31/2013 - **SIGNED BY GOVERNOR**; Eff. 1/30/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_12](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_12)
- HB41**      **OIL-GAS DRILLING HEALTH-SAFETY STANDARDS (HAGAN R)** To authorize a political subdivision to enact and enforce health and safety standards for oil and gas drilling and exploration.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_41](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_41)
- HB42**      **OIL AND GAS LAW CHANGES (HAGAN R)** To revise the requirements concerning an oil and gas permit application, an oil and gas well completion record, designation of trade secret protection for chemicals used to drill or stimulate an oil and gas well, and disclosure of chemical information to a health care professional or emergency responder, to require an owner to report all chemicals brought to a well site, and to make other changes in the Oil and Gas Law.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_42](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_42)
- HB59**      **BIENNIAL BUDGET (AMSTUTZ R)** To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.  
*Current Status:* 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)
- HB63**      **TAX CREDIT- OIL AND GAS PRODUCTION (CERA J, O'BRIEN S)** To establish a nonrefundable commercial activity tax credit for companies involved in horizontal well drilling or related oil and gas production services that hire Ohio residents or dislocated workers who have enrolled in or completed a federally registered apprenticeship program.  
*Current Status:* 2/20/2013 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_63](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_63)
- HB93**      **OIL AND GAS LAW (HAGAN R)** To increase criminal penalties for violations of the Oil and Gas Law relating to improper disposal, transport, and management of brine, to establish a criminal penalty for a negligent violation of certain provisions of the Solid, Hazardous, and Infectious Wastes Law, and to require the revocation of a violator's permits and registration certificate and denial of future permit and registration certificate applications under the Oil and Gas Law.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_93](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_93)
- HB102**     **NATURAL GAS POLICY (ROEGNER K)** To change state policy regarding natural gas competition, to require assessments on retail natural gas suppliers for subsidies granted in

retail auctions, and to require the assessments to be distributed to nonmercantile customers.

**Current Status:** 3/19/2013 - Referred to Committee House Public Utilities

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_102](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_102)

**HB124 OIL-GAS BAN-LAKE ERIE (ANTONIO N)** To ban the taking or removal of oil or natural gas from and under the bed of Lake Erie.

**Current Status:** 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_124](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_124)

**HB136 THIRD FRONTIER COMMISSION-GRANTS (SCHURING K)** To authorize the Third Frontier Commission to award grants related to the establishment and operation of data centers and the development of a high speed fiber optic network in the state, and to authorize a kilowatt-hour excise tax reduction for electric distribution companies supplying such centers at a discounted rate.

**Current Status:** 5/29/2013 - House Public Utilities, (Fifth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_136](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_136)

**HB148 OIL AND GAS LAW (DRIEHAUS D, HAGAN R)** To prohibit land application and deep well injection of brine, to prohibit the conversion of wells, and to eliminate the injection fee that is levied under the Oil and Gas Law.

**Current Status:** 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_148](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_148)

**HB282 SALES-USE TAX LICENSE (ROGERS J)** To authorize vendors and others required to hold a sales or use tax license whose business and home address is the same to apply to the Tax Commissioner to keep such address confidential.

**Current Status:** 2/26/2014 - **BILL AMENDED**, House Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_282](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_282)

**HB302 ALTERNATIVE ENERGY-PEAK DEMAND REDUCTION LAW (STAUTBERG P)** To modify the alternative energy resource, energy efficiency, and peak demand reduction law.

**Current Status:** 12/11/2013 - House Public Utilities, (Sixth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_302](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_302)

**HB312 ELECTRIC LIGHT COMPANY-JOB RETENTION PROGRAM COSTS (JOHNSON T)** To permit a public utility electric light company to recover costs of an economic and job retention program from all public utility electric light customers in Ohio.

**Current Status:** 1/22/2014 - House Public Utilities, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_312](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_312)

**HB319 INFRASTRUCTURE DEVELOPMENT RIDER-GAS COMPANIES (GROSSMAN C)** To permit natural gas companies to apply for an infrastructure development rider to cover costs of certain economic development projects.

**Current Status:** 12/2/2014 - House Public Utilities, (Fourth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_319](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_319)

**HB335 GREEN FLEETS LOAN GUARANTEE PROGRAM (BUTLER, JR. J)** To create the Green Fleets Loan Guarantee Program to guarantee the repayment of loans made to

governmental entities and private businesses to fund the conversion of all or a portion of their fleet vehicles to run on natural gas fuel; to apply the motor fuel tax to compressed natural gas; to authorize a temporary exemption from the motor fuel tax for purchasers of propane and compressed natural gas; to require the inspection of certain natural gas vehicles; to create a weight limit exemption for compressed natural gas vehicles; and to clarify the regulatory authority of the Fire Marshal with regard to filling stations dispensing gaseous fuel.

**Current Status:** 12/4/2013 - House Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_335](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_335)

**HB336 GASEOUS FUEL VEHICLE CONVERSION PROGRAM (O'BRIEN S, HALL D)** To create the Gaseous Fuel Vehicle Conversion Program, to allow a credit against the income or commercial activity tax for the purchase or conversion of an alternative fuel vehicle, to reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$500, to apply the motor fuel tax to the distribution or sale of compressed natural gas, to authorize a temporary, partial motor fuel tax exemption for sales of compressed natural gas used as motor fuel, and to make an appropriation.

**Current Status:** 5/27/2014 - Senate Finance, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_336](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_336)

**HB368 SMART METERS-PUBLIC UTILITY CUSTOMERS RIGHTS (LYNCH M)** To establish rights for public utility customers regarding smart meters installed on their premises.

**Current Status:** 1/22/2014 - House Public Utilities, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_368](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_368)

**HB421 ELECTRIC COMPANY-MERCANTILE CUSTOMER REASONABLE ARRANGEMENTS (CERA J)** To permit the Governor to terminate reasonable arrangements between an electric distribution utility or public utility electric light company and certain mercantile customers.

**Current Status:** 2/19/2014 - House Public Utilities, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_421](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_421)

**HB472 MBR-MID-BIENNIUM BUDGET REVIEW (MCCLAIN J)** To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

**Current Status:** 3/26/2014 - House Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)

**HB483 MBR-OPERATION OF STATE PROGRAMS (AMSTUTZ R)** To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

**Current Status:** 6/16/2014 - **SIGNED BY GOVERNOR**; Eff. 6/16/2014 Other Sections Eff. on Other Dates

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_483](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_483)

**HB568 PUCO-MAXIMUM FEES (MCGREGOR R)** To require the Public Utilities Commission to set the maximum fees that a manufactured home park operator, condominium unit owners association, and landlord may charge for electric, gas, water, or related services, or for sewage disposal service provided to a resident, unit owner, or tenant when a submeter is used to measure public utility service to the premises.

**Current Status:** 12/2/2014 - House Public Utilities, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_568](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_568)



- HB649 HEATING FUEL SALES EXEMPTION (BARBORAK N)** To exempt from sales and use taxation the bulk sale of firewood, propane, butane, kerosene, and number two fuel oil for heating purposes and to declare an emergency.  
*Current Status:* 10/28/2014 - Introduced  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_649](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_649)
- HB659 UNDERGROUND UTILITY FACILITIES PROTECTION (SPRAGUE R)** Regarding the enforcement of the law governing the protection of underground utility facilities.  
*Current Status:* 12/2/2014 - House Public Utilities, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_659](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_659)
- HB662 PUBLIC UTILITY SERVICE MEASUREMENT (DUFFEY M, MCGREGOR R)** Regarding measurement of public utility service to premises administered by a landlord, condominium unit owners association, or manufactured home park operator.  
*Current Status:* 12/2/2014 - House Public Utilities, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_662](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_662)
- HCR9 KEYSTONE XL PIPELINE (ADAMS J)** To urge the United States Department of State to approve the presidential permit application allowing the construction and operation of the TransCanada Keystone XL Pipeline between the United States and Canada.  
*Current Status:* 4/9/2013 - Referred to Committee Senate Public Utilities  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_9](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_9)
- HCR30 COAL ACCOUNTABILITY AND RETIRED EMPLOYEE ACT (CERA J)** To urge Congress to enact the Coal Accountability and Retired Employee Act.  
*Current Status:* 10/15/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_30](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_30)
- HCR42 GREENHOUSE GAS EMISSIONS (FOLEY M, RAMOS D)** To recognize that human actions have contributed to the rise in global sea and atmospheric temperatures and the increase in concentration of greenhouse gases, and to declare that Ohio will actively participate in diminishing and minimizing future greenhouse gas emissions.  
*Current Status:* 1/21/2014 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_42](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_42)
- HCR43 OHIO SUSTAINABLE ENERGY-ABUNDANCE PLAN (BOOSE T, THOMPSON A)** To establish a sustainable energy-abundance plan for Ohio to meet future Ohio energy needs with affordable, abundant, and environmentally friendly energy.  
*Current Status:* 2/26/2014 - House Public Utilities, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_43](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_43)
- HR282 CARBON DIOXIDE EMISSIONS-EXISTING POWER PLANTS (DOVILLA M, HILL B)** To urge the U.S. Environmental Protection Agency to hold public listening sessions on proposed regulations targeting carbon dioxide emissions from existing power plants in those states that would be most directly impacted by the regulations.  
*Current Status:* 11/19/2013 - **REPORTED OUT**, House Policy and Legislative Oversight, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HR\\_282](http://www.legislature.state.oh.us/res.cfm?ID=130_HR_282)

- SB17 OIL-GAS LAW CHANGES** (SKINDELL M) To revise the requirements concerning an oil and gas permit application, an oil and gas well completion record, designation of trade secret protection for chemicals used to drill or stimulate an oil and gas well, and disclosure of chemical information to a health care professional or emergency responder, to require an owner to report all chemicals brought to a well site, and to make other changes in the Oil and Gas Law.  
*Current Status:* 2/13/2013 - Referred to Committee Senate Energy and Natural Resources  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_17](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_17)
- SB34 ELECTRIC DISTRIBUTION COMPANIES** (JORDAN K) To repeal the requirement that electric distribution utilities and electric services companies provide 25% of their retail power supplies from advanced and renewable energy resources by 2025.  
*Current Status:* 2/12/2014 - Senate Public Utilities, (Fourth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_34](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_34)
- SB46 OIL AND GAS LAW** (SCHIAVONI J, LAROSE F) To increase criminal penalties for violations of the Oil and Gas Law relating to improper disposal, transport, and management of brine, to establish a criminal penalty for a negligent violation of certain provisions of the Solid, Hazardous, and Infectious Wastes Law, and to require the revocation of a violator's permits and registration certificate and denial of future permit and registration certificate applications under the Oil and Gas Law.  
*Current Status:* 6/19/2013 - **SUBSTITUTE BILL ACCEPTED**, Senate Energy and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_46](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_46)
- SB58 RETAIL ELECTRIC SERVICE** (SEITZ B) To review and possibly modify the energy efficiency, peak demand reduction, and alternative energy resource provisions established by Ohio law governing competitive retail electric service.  
*Current Status:* 2/19/2014 - Senate Public Utilities, (Seventh Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_58](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_58)
- SB59 EDUCATION ENERGY COUNCIL** (BEAGLE B) To authorize an eligible regional council of governments to establish itself as an education energy council for the purpose of issuing debt to pay for school district energy purchases.  
*Current Status:* 12/3/2014 - Senate Public Utilities, (Fifth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_59)
- SB87 OIL/NATURAL GAS-LAKE ERIE** (SKINDELL M) To ban the taking or removal of oil or natural gas from and under the bed of Lake Erie.  
*Current Status:* 10/29/2013 - Senate Energy and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_87](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_87)
- SB181 SMART METER INSTALLATION** (JORDAN K) To require electric distribution utilities to obtain a customer's consent prior to installing a smart meter on the customer's property  
*Current Status:* 9/26/2013 - Referred to Committee Senate Public Utilities  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_181](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_181)
- SB375 RENTAL AGREEMENT UTILITY DUTY** (JONES S) To include the duty to pay utility bills to the list of duties of a tenant who is party to a rental agreement.  
*Current Status:* 11/12/2014 - Referred to Committee Senate Commerce and

Labor

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_375](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_375)

- SB378 UNDERGROUND UTILITY FACILITIES LAW (COLEY W)** Regarding the enforcement of the law governing the protection of underground utility facilities.  
**Current Status:** 12/3/2014 - Senate Public Utilities, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_378](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_378)
- SB380 INCOME PAYMENT PLAN FUNDING (JONES S)** To modify the funding process for the percentage of income payment plan program.  
**Current Status:** 12/3/2014 - Senate Public Utilities, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_380](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_380)
- SCR7 KEYSTONE XL PIPELINE (HITE C)** To urge the United States Department of State to approve the presidential permit application allowing the construction and operation of the TransCanada Keystone XL Pipeline between United States and Canada.  
**Current Status:** 4/17/2013 - **ADOPTED BY HOUSE**; Vote 90-7  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_7](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_7)
- SCR25 GREEN BUILDING RATING STANDARDS (JECKER J)** To urge, for Ohio state agencies and other government entities, the use of green building rating systems, codes, or standards that are consistent with state energy efficiency and environmental performance objectives and policies and that meet American National Standards Institute voluntary consensus standard procedures.  
**Current Status:** 3/11/2014 - Referred to Committee House Manufacturing and Workforce Development  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_25](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_25)
- SCR34 U.S. EPA-STATES PRIMACY (GENTILE L)** To urge the U.S. Environmental Protection Agency to recognize the primacy of states to rely on state utility and environmental regulators in developing guidelines for reductions of carbon dioxide emissions from existing power plants and to take other specified actions regarding greenhouse gas emissions.  
**Current Status:** 2/19/2014 - Referred to Committee Senate Energy and Natural Resources  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_34](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_34)
- SCR44 INDIVIDUALIZED ENERGY USAGE (KEARNEY E)** To urge specific electric and gas utilities in Ohio to provide individualized energy usage information to each of its residential customers.  
**Current Status:** 11/19/2014 - Referred to Committee Senate Public Utilities  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_44](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_44)

**TO: OMA Government Affairs Committee**  
**FROM: Ryan Augsburger / Rob Brundrett**  
**RE: Environment Public Policy Report**  
**DATE: December 3, 2014**

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### **Overview**

The General Assembly adjourned in June for the summer and returned in early November for the “lame duck” session.

Ohio EPA has a version of the MBR still pending and will be acted on by the Senate in December. The bill has become what is known as a Christmas tree and is loaded down with random amendments, touching on a variety of policies.

U.S. EPA and its existing source and ozone standards will be dominating subjects for Ohio moving through the next year. Other agency issues will be dealt with through the regulatory process where the agency remains very active.

### **General Assembly News and Legislation**

#### **House Bill 592 Review**

Ohio EPA continues its internal work on a rewrite of the old House Bill 592, which created most of Ohio's current solid waste laws. Director Nally made it a priority to update this section of Ohio law and had a taskforce working on the rewrite. The agency appears stalled on phase II of the project.

The agency recently let the OMA know that they are scaling back some of their priorities in hopes of having some legislation in place for the fall. Considering the amount of time they have worked on the project, portions of the rewrite should be ready to be introduced.

#### **Senate Bill 150**

Senate Bill 150 was signed by Governor Kasich in May. The bill is geared toward the agriculture industry. It requires those who apply fertilizer on Ohio's farmlands to be certified to do so. The General Assembly is hoping the law will help educate on proper fertilizer application to prevent overuse which can result in heavy nutrient runoff. This is important as Ohio EPA continues to review its nutrient strategy that could negatively impact manufacturers.

This bill was back in the news recently because of the Lake Erie algae bloom and the drinking water ban in Toledo.

#### **Senate Concurrent Resolution 25**

Last year Senate Joe Uecker (R-Miami Township) introduced SCR 25. The resolution urges state agencies to adhere to green building standards that meet the American National Standards Institute voluntary consensus standard procedures instead of the most recent U.S. Green Building's Council's LEED standards. There has been controversy over the latest version of the LEED standards regarding process and the inclusion/exclusion of buildings materials that are regularly used. The resolution was passed from the Senate. The House announced it would refrain from holding any hearings on the issue until the fall.

#### **Mid-Biennium Review – House Bill 490**

The Governor's released his second mid-biennium review (MBR) bill this winter. The MBR bill is a comprehensive policy bill touching all aspects of state government, including Ohio EPA. The

House promptly split the legislation into 14 different bills. EPA and Agriculture have their own MBR – House Bill 490. The bill had numerous hearings in the House. One issue of note concerns changes to 6111, the Water Pollution Control Law. The bill creates a knowing and reckless standard for violations of ORC 6111.99. Currently, all criminal violations of Ohio's Water Pollution Laws are misdemeanors, regardless of their severity or the intent of the violator. The suggested changes by Ohio EPA changes the way the agency would enforce violations. Director Butler has told stakeholders he would work with them to alleviate fears.

The bill included several new amendments concerning toxic algae, dredging, steel pipe monitoring and telecom.

### House Bill 506

Representatives Thompson (R-Marietta) and Cera (D-Bellaire) sponsored House Bill 506, which was developed in anticipation of the U.S. EPA's guidelines aimed at cutting carbon dioxide emissions from existing power plants. The bill's intent is to develop a framework on how Ohio EPA will comply with the new standards and guidelines revealed last week. The bill is an attempt to give Ohio more control over how its state plan would be able to implement the new federal standards. With a large amount of coal and gas fired generation, Ohio is particularly vulnerable to any new carbon rules from U.S. EPA. The bill was passed by the House prior to break and is having hearings in the Senate.

### Regulations

#### U.S. EPA 111(d)

In June the U.S. EPA proposed its rules for carbon emissions from the nation's power plants. The rules were proposed under section 111(d) of the Clean Air Act.

The rule proposes a national reduction in power plant carbon emissions of 30% by 2030, from a base year of 2012.

The EPA says it built a formula for state-specific reductions: "EPA analyzed historical data about emissions and the power sector to create a consistent national formula for reductions that reflects the building blocks. The formula applies the building blocks to each state's specific information, yielding a carbon intensity rate for each state."

Those "building blocks" are: making fossil fuel plants more efficient, fuel switching from coal to natural gas, increased use of solar, wind and nuclear power, and reducing electricity demand by increased energy efficiency.

The timetable for implementing these vast rules is aggressive: These rules are to be finalized next summer; the states then have one year to establish their compliance plans; and, the U.S. EPA then has one year to act on the states' plans.

Ohio EPA held two interested party stakeholder meetings to discuss the proposed rule and possible comments. The OMA contributed study for the agency to review and incorporate in their comments.

### Beneficial Use

This spring Ohio EPA released the much anticipated draft permits for foundry sand and alum sludge. They also released an Early Stakeholder Outreach document on "co-products" and "by-products". The overall goal of these would be to eventually compliment a beneficial use system

and make it clear certain products are not wastes subject to beneficial use regulation. OMA submitted comments on the ESO.

### Universal Waste

At the end of 2012 Ohio EPA solicited comments through the early stakeholder outreach program on the expansion of universal waste in Ohio. The agency wanted to examine whether additional hazardous wastes should be designated as universal wastes and specifically if hazardous waste aerosol cans and spent antifreeze should be designated universal wastes. The OMA submitted initial comments on this topic requesting certain paint and paint related wastes.

The OMA was approached by Ohio EPA to see what sort of backing the expansion of universal waste would have among members. The OMA recently put together a working group to work with Ohio EPA on this topic. The group submitted a document to Ohio EPA and is working on rule language.

### Water Nutrient Work Group

Ohio EPA has been working on reducing the amount of nutrients that enter Ohio's waterways. The OMA has two members on the working group Ohio EPA created to review the issue. The group is meeting monthly to determine what is the best way to implement the state's water nutrient strategy. This group remains focused on the water nutrient implementation process it was created to help implement. However new light may be focused on the group with the recent water issues in northwest Ohio.

### U.S. EPA and Ozone

The EPA plans to tighten the National Ambient Air Quality Standards (NAAQS) for ground-level ozone from the current 75 parts per billion (ppb) to between 60 and 70 ppb, or even lower. This will have a major impact on Ohio. A new rule is proposed for the first week of December.

In 2008, the U.S. EPA lowered the National Ambient Air Quality Standard for ground level ozone to 75 parts per billion (ppb). Now, the agency is proposing to lower the standard to 60 ppb.

A new study by NAM finds that imposition of a 60 ppb ozone standard could reduce U.S. Gross Domestic Product by as much as \$3.4 trillion through 2040 and dramatically increase energy costs across all sectors.

### **Other Notes**

#### Bottle Bill Amendment

Ohio Attorney General Mike DeWine certified a petition so that the requisite signatures could be solicited for a proposed "bottle bill" amendment to the Ohio Constitution.

The amendment, if it made it to the ballot and passed, would require the General Assembly to enact laws that require a refundable deposit of 5-to-10 cents to be made on certain glass, metal and plastic containers.

Unlike previous so-called bottle bills, where the goal was to encourage recycling and increase reusable feedstock, 80% of the refunded deposits are directed to be used to reduce health and car insurances costs of Ohio residents. There are no specific details of how this would be accomplished.

### OMA Signs onto National GHG Advocacy Effort

The U.S. Chamber of Commerce, National Association of Manufacturers, and other key stakeholders have established the Partnership for a Better Energy Future, in response to the Obama administration's greenhouse gas (GHG) regulatory agenda. OMA has signed on as a member of the partnership.

The administration's GHG agenda is just underway and will ultimately extend to nearly every sector of the industrial economy, from refining to manufacturing to agriculture and mining. Most recently they announced their rules for existing electricity generating units.

The partnership, formally launched on January 30, aims to mobilize the business community to educate and motivate elected and public officials to address widespread concerns with these forthcoming greenhouse gas rules. Its mission is to ensure the continued availability of reliable and affordable energy for American families and businesses.

House Bill 506 is supported by the Ohio delegation to this group.

### Ohio EPA Staff Rotation Changing

The Ohio Environmental Protection Agency recently announced a new policy that would rotate personnel within its districts and divisions. The new policy applies to inspectors and staff.

In a letter to stakeholders, Director Craig Butler said, "We believe staff rotation will enhance the uniformity of our inspections while also providing new perspectives and ideas – greatly improving the effectiveness of our efforts. And while some of our staff will be rotating, management in each division and district should remain the same so you should always have someone familiar with whom to discuss issue if they arise."

The Division of Air Pollution Control has announced that in the permitting area, the permit writer will be responsible for no more than one permit cycle for a five-year period for Title V sources. To improve continuity, the existing permit writer will hand off or assist the new permit writer with the renewal permit.



## Environment

### New Lake Erie Dredging Regs Proposed

The House this week passed legislation, [HB 490](#), which contains new regulations on dredging in Lake Erie and its tributaries. The new regulations, together with proposed new regulations on manure spreading and on wastewater treatment facilities, are intended to help address the problem of summer algae blooms in the lake.

The bill would prohibit dumping dredging material in the lake after July 1, 2020, without approval of the director of the Ohio Environmental Protection Agency (Ohio EPA).

Scientists believe that open-lake dumping of dredge material from the Maumee River and Toledo Shipping Canal contributes to the algae blooms. The regulations would also effect dredging in the Cuyahoga River, a shipping channel that is crucial to manufacturers.

Meanwhile, the creative leadership of the Port of Cleveland has come up with a [dredging material disposal plan](#) that resolves a disagreement between the Army Corps of Engineers and the Ohio EPA. The corps has wanted to dump dredging material in the lake; the Ohio EPA prohibited it; navigation on the river was threatened.

Now, the port, using grants from the Ohio EPA, will begin to collect and sell silt in a beneficial reuse of the materials, and will reengineer the disposal facility near Burke Lakefront Airport to extend its life for another 50 years. This is great news for Ohio manufacturers. *11/20/2014*

### 111(d) Comments Due December 1

The extended deadline to file comments on the U.S. EPA's proposed emissions reduction regulations for existing power plants (the 111(d) "Clean Power Plan") is December 1, 2014.

The Partnership for a Better Energy Future, of which OMA is a member, has prepared [model language](#) as a resource for Partnership members, and their members, to prepare comments on the rule.

Members are encouraged to use the document to supplement their own comments. Information on submitting comments to U.S. EPA can be found [here](#). OMA's contact on the issue is [Rob Brundrett](#). *11/20/2014*

### Criminal Penalty for Knowing Water Violations

HB 490, which has become a vehicle for lame duck amendments, contains language which would allow the Ohio EPA to seek criminal charges for knowing violations of clean water regulations.

This language was developed after an "egregious and intentional" act of fracking water dumping in northeast Ohio revealed a gap in state law. The agency had to go to the federal government for prosecution, and would have preferred for the state itself to handle it. The proposed standard is similar to standards in other environmental regulations.

The Ohio EPA has been working with the OMA for several months on this matter. Here is a [letter](#) from Ohio EPA director, Craig Butler, to OMA public policy services staff member, [Rob Brundrett](#), explaining the intent of the language. *11/13/2014*

### Ready for an Ohio EPA Inspection?

Ohio EPA has released a 4-page fact sheet, [Preparing Your Business for an Ohio EPA Inspection](#), to help companies understand and prepare for an Ohio EPA inspection. Ohio EPA district and local offices have the authority to inspect a company at any reasonable time. The fact sheet offers helpful tips for companies that are subject to an inspection. *11/13/2014*

### Ohio EPA Releases Fact Sheet on Calculating Emissions from Coating and Painting Operations

Ohio EPA has released a [fact sheet](#) explaining how to calculate emissions of volatile organic compounds (VOC), hazardous air pollutants (HAP) and select toxic air contaminants (TAC) from common coating and painting operations.

This information is needed for air permit applications and for ongoing air permit recordkeeping and reporting requirements. The guide includes example calculations that cover most common scenarios and permit requirements. *11/13/2014*

### OMA Work Group Proposes Adding Paint to Universal Wastes

An OMA work group on universal wastes this week submitted a [memorandum](#) to Ohio EPA Director Craig Butler urging the agency to expand universal waste to cover paint and paint-related wastes.

The work group notes: "Ohio's universal waste rules are intended to promote recycling as well as proper disposal by easing certain regulatory requirements. Ohio currently has four categories of universal waste that may be managed under the program: lamps; suspended or recalled pesticides; mercury-containing devices; and batteries. Ohio EPA has shown a willingness to expand universal waste to cover spent antifreeze and aerosol cans."

"Importantly, these changes would be of great help to manufacturers by reducing cumbersome paperwork and storage requirements, while ensuring that paint-related wastes continue to be handled properly in Ohio. Making this change could reduce the regulatory burden on manufacturers by changing their status from Large Quantity Generator (LQG) to Small Quantity Generator (SQG) or even in some rare cases Conditionally Exempt Small Quantity Generator (CESQG)..." wrote the work group.

And, "A significant number of manufacturers in Ohio are LQGs simply due to the amount of paint and paint-related waste they manage. Classifying these waste streams as universal waste provides incentives to recycle while relieving burdens of regulatory paperwork requirements."

For more information on this issue or on the OMA universal waste work group, contact OMA's [Rob Brundrett](#). 10/30/2014

### **EPA Director Butler Visits OMA Environment Committee**

Ohio EPA Director Craig Butler visited with members of the OMA Environment Committee this week. He discussed the wide range of issues, both state and federal, with which the agency, and manufacturers, are dealing.

Also at the meeting, members heard a [presentation](#) from Tonja Rammel, EHS Manager, Crown Equipment Corporation, winner of Ohio EPA's first Encouraging Environmental Excellence (E3) Gold Award. The gold award recognizes superior environmental stewardship and provides the awardee with environmental regulatory flexibility.

You can get a quick update on environmental regulatory matters in [this report](#) to the committee from OMA environment counsel [Frank Merrill](#) of Bricker & Eckler LLP. If you need to follow environmental matters for your facility, be sure you are subscribed to the Environment community at [My OMA](#). 10/23/2014

### **Ohio EPA Staff Rotation Changing**

The Ohio Environmental Protection Agency recently announced a new policy that would rotate personnel within its districts and divisions. The new policy applies to inspectors and staff.

In a [letter](#) to stakeholders, Director Craig Butler said, "We believe staff rotation will enhance the uniformity of our inspections while also providing new perspectives and ideas – greatly improving the effectiveness of our efforts. And while some of our staff will be rotating, management in each division and district should remain the same so you should always have someone familiar with whom to discuss issue if they arise."

The Division of Air Pollution Control has announced that in the permitting area, the permit writer will be responsible for no more than one permit cycle for a five-year period for Title V sources. To improve continuity, the existing permit writer will hand off or assist the new permit writer with the renewal permit. 10/16/2014

### **U.S. EPA Proposes to Eliminate Startup, Shutdown, and Malfunction Affirmative Defenses**

More bad news from the U.S. Environmental Protection Agency (EPA). It is proposing to prohibit excess emissions during periods of startup, shutdown, or malfunction ("SSM") in State Implementation Plans (SIPs) under the Clean Air Act (CAA).

OMA Connections Partner Jones Day writes that, "EPA concluded that a recent court decision did not even allow EPA to approve the narrowly crafted provisions in SIPs allowing for excess emissions during malfunctions allowed by a previous EPA proposal. If finalized, this proposal means that governmental authorities implementing CAA provisions in 37 states and the District of Columbia would be required to revise existing regulations to remove SSM affirmative defenses."

Read more about this proposal [here](#). 10/16/2014

### **What's in that Bottle Bill?**

This week Ohio Attorney General [Mike DeWine](#) certified a [petition](#) so that the requisite signatures could be solicited for a proposed "bottle bill" amendment to the Ohio Constitution.

The amendment, if it made it to the ballot and passed, would require the General Assembly to enact laws that require a refundable deposit of 5-to-10 cents

to be made on certain glass, metal and plastic containers.

Unlike previous so-called bottle bills, where the goal was to encourage recycling and increase reusable feedstock, 80% of the refunded deposits are directed to be used to reduce health and car insurances costs of Ohio residents. There are no specific details of how this would be accomplished. *10/9/2014*

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### **Ohio EPA 2015 Recycling Grants to be Available**

Ohio EPA's 2015 Recycling & Litter Prevention Grants provide opportunities for communities, local governments, businesses and nonprofit organizations to establish and implement recycling, recycling market development, litter prevention and scrap tire recycling programs.

Ohio EPA will host an informational meeting on the application process on Friday, October 31, 2014. The informational meeting will be held at 10:00 a.m. at the Ohio Department of Natural Resources, 2045 Morse Road, Columbus, OH 43229, Assembly Center (Building E). There is no registration required; however, those attending are required to bring a photo identification.

Here's [more information](#). *10/1/2014*

### **Ohio EPA Will Take Advantage of 111(d) Comment Period Extension**

Last week, the U.S. EPA granted a 45-day extension to the 111(d) rule comment period, until December 1, 2014, the Monday following Thanksgiving. Ohio EPA has indicated that it will use the entire 45 day extension to work on and submit its comments to U.S. EPA.

Individuals or companies can [submit comments to Ohio EPA](#) regarding the federal 111(d) proposed rules.

More information about the rule and Ohio's process regarding the comment period can be found [here](#). *9/25/2014*

## Review Proposed Boiler Rules

The Ohio Department of Commerce is holding a public hearing today regarding new boiler operator rules as required by [House Bill 12](#), sponsored by Representative Roegner (R - Hudson). House Bill 12 [requires](#) the Board of Building Standards to adopt rules to permit certain automatically operated low pressure steam boilers, power boilers, and stationary steam engines to be operated without the presence of a person licensed under the Boiler Law. The bill was supported by the OMA.

You can view the draft of the rule [here](#). If you have any thoughts or concerns about these rules please contact [Rob Brundrett](#), who is heading up this project. 9/18/2014

## U.S. EPA Extends Comment Period for 111(d)

Last week, 53 U.S. Senators (9 Democrats and 44 Republicans) signed and sent this [letter](#) to U.S. EPA Administrator Gina McCarthy requesting a 60-day extension to the comment period for the proposed "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Generating Units," citing complexity and magnitude of the rule.

This week, the agency granted a 45-day extension to the comment period, until December 1, 2014.

The Senators' letter described this burden on states: "If the states want to adjust their statewide emission rate target assigned to them by EPA, the must provide their supporting documentation for the adjustment during the comment period." 9/12/2014

## OMA Working with EPA to Increase Flexibility of Handling Wastes

This week OMA member companies met with Pam Allen, Chief, Division of Materials and Waste Management at Ohio EPA, to discuss expanding the definition of [universal waste](#) in Ohio to include paint and paint-related products.

Currently, Ohio has four categories of universal waste that may be managed under the less stringent and complex requirements of hazardous waste: lamps, suspended or recalled pesticides, mercury-containing devices, and batteries.

Expansion of universal waste categories would provide Ohio manufacturers with more options and flexibility when it comes to handling waste materials. To participate in the OMA universal waste working group, please contact [Rob Brundrett](#). 9/11/2014

## U.S. EPA to Hold Clean Power Plan Webinars

U.S. EPA has announced two webinars aimed at industry and environmental stakeholders to discuss the agency's proposed Clean Power Plan. This is part of the agency's effort to give interested stakeholders the information needed to learn about and provide public comment on the proposed rule.

The September 10, 2014, 1:00 – 2:30 EST, webinar is primarily for industry stakeholders; and the September 17, 2014, 1:00 – 2:30 EST, webinar is primarily for environmental stakeholders.

To register, please send an email to EPA's [Jean Walker](#) with your name and organization, the session you would like to join, and any questions you'd like answered.

EPA is in the midst of the public comment period for this proposed rule. As a result, these sessions are designed to clarify questions about the content of the Clean Power Plan, not to respond to substantive comment on the proposal itself. For instructions to submit public comment, go [here](#). The public comment period is open until October 16, 2014.

Here is a U.S. EPA [video](#) overview of the Clean Power Plan Rule and [recorded](#) EPA webinars from earlier this summer. 9/4/2014

## The Legal Hurdle for 111(d)

The United States Supreme Court's recent decision in [UARG v. EPA](#) offers insight as to how future courts will evaluate the authority of the U.S. EPA under the Clean Air Act to regulate greenhouse gas emissions from power plants and other stationary sources.

From OMA Connections Partner Jones Day: "The question that EPA must address, and future courts will have to resolve, is whether § 111(d) provides "clear congressional authorization" to support the proposed guidelines for existing power plants. In *UARG*, the Supreme Court noted that it is skeptical "[w]hen an agency claims to discover in a long-extant statute an unheralded power to regulate a significant portion of the American economy." Given the unusual scope and significance of the proposed guidelines, EPA will need to identify specific provisions of § 111(d) that justify its proposed approach."

Read [more](#) from Jones Day about U.S. regulatory developments. 8/13/2014

## House Starts Work on Lake Erie Water Quality

Two weeks ago the city of Toledo enacted a drinking ban on its municipal water supply due to toxins from algae in Lake Erie. As a result, [Speaker Batchelder](#) (R-Medina) released this [statement](#): "Given the recent events in Toledo, it has become even more evident that we must thoughtfully continue to work toward a solution to the water quality and algae conditions impacting Lake Erie. Based on his steadfast leadership and diverse knowledge on agricultural and environmental issues, I have tasked Chairman Dave Hall with studying this issue further through the House Agriculture and Natural Resources Committee."

Rep. [Dave Hall](#) (R-Millersburg) is now planning hearings on the issue. And, the Lake Erie caucus, which is made up of state lawmakers whose districts abut Lake Erie, is holding an informal hearing this week.

For the past year the OMA staff and members have participated in the Ohio EPA's [Water Nutrient Technical Advisory Group](#) to advise the agency as it develops surface water quality standards for nutrients. Right now, the group is deliberating a proposed [stream nutrient assessment procedure](#). This matter has implications for all manufacturers with any discharges of phosphorus or nitrogen into streams or wastewater treatment facilities. Contact OMA's [Rob Brundrett](#) for more information. *8/14/2014*

**Environment Legislation**  
Prepared by: The Ohio Manufacturers' Association  
Report created on December 2, 2014

- HB12**      **LICENSED OPERATOR REQUIREMENT (ROEGNER K)** To eliminate the licensed operator requirement for gaseous fuel and fuel oil fired boilers that comply with certain safety and engineering standards.  
*Current Status:* 10/31/2013 - **SIGNED BY GOVERNOR**; Eff. 1/30/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_12](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_12)
- HB59**      **BIENNIAL BUDGET (AMSTUTZ R)** To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.  
*Current Status:* 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)
- HB93**      **OIL AND GAS LAW (HAGAN R)** To increase criminal penalties for violations of the Oil and Gas Law relating to improper disposal, transport, and management of brine, to establish a criminal penalty for a negligent violation of certain provisions of the Solid, Hazardous, and Infectious Wastes Law, and to require the revocation of a violator's permits and registration certificate and denial of future permit and registration certificate applications under the Oil and Gas Law.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_93](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_93)
- HB148**      **OIL AND GAS LAW (DRIEHAUS D, HAGAN R)** To prohibit land application and deep well injection of brine, to prohibit the conversion of wells, and to eliminate the injection fee that is levied under the Oil and Gas Law.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_148](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_148)
- HB205**      **BRINE RECYCLING FEE (GERBERRY R)** To authorize a fee on the recycling of brine from oil and gas operations to benefit local governments.  
*Current Status:* 6/25/2013 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_205](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_205)
- HB282**      **SALES-USE TAX LICENSE (ROGERS J)** To authorize vendors and others required to hold a sales or use tax license whose business and home address is the same to apply to the Tax Commissioner to keep such address confidential.  
*Current Status:* 2/26/2014 - **BILL AMENDED**, House Ways and Means, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_282](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_282)
- HB417**      **WATER-WASTEWATER UTILITY SERVICE IMPROVEMENT PROJECTS (THOMPSON A)** To ensure that all proven and acceptable piping materials be included in bids for water and wastewater utility service improvement projects.  
*Current Status:* 3/19/2014 - House Public Utilities, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_417](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_417)



- HB472**      **MBR-MID-BIENNIUM BUDGET REVIEW** (MCCLAIN J) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 3/26/2014 - House Ways and Means, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)
- HB490**      **MBR-AGRICULTURE-NATURAL RESOURCES-ENVIRONMENTAL PROTECTION LAWS** (HALL D, THOMPSON A) To revise certain laws governing agriculture, natural resources, and environmental protection.  
*Current Status:* 12/4/2014 - Senate Agriculture, (Fourth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_490](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_490)
- HB625**      **MICROCYSTIN LEVELS-PROCEDURE** (SHEEHY M) To establish requirements and procedures pertaining to levels of microcystin in public water systems.  
*Current Status:* 11/6/2014 - Referred to Committee House Agriculture and Natural Resources  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_625](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_625)
- HCR29**      **EPA REGULATIONS** (THOMPSON A) To urge the President of the United States to halt the Environmental Protection Agency's costly and harmful pursuit of regulations that restrict fuel diversity for electricity generation and to pursue new fuel diversity policies.  
*Current Status:* 11/19/2013 - Referred to Committee Senate Energy and Natural Resources  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_29](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_29)
- HCR49**      **GREAT LAKES-ASIAN CARP** (SHEEHY M) To urge the United States Congress to approve and fund a hydrological separation of the Great Lakes and Mississippi River watersheds to stop the spread of Asian carp.  
*Current Status:* 12/2/2014 - House Agriculture and Natural Resources, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_49](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_49)
- SB59**      **EDUCATION ENERGY COUNCIL** (BEAGLE B) To authorize an eligible regional council of governments to establish itself as an education energy council for the purpose of issuing debt to pay for school district energy purchases.  
*Current Status:* 12/3/2014 - Senate Public Utilities, (Fifth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_59)
- SB150**      **AGRICULTURAL ADDITIVES, LIME AND FERTILIZER LAW** (HITE C, PETERSON B) To revise the law governing the abatement of agricultural pollution, to require a person that applies fertilizer for the purposes of agricultural production to be certified to do so by the Director of Agriculture, to provide for an agricultural pesticide-use category on commercial and private pesticide applicator licenses, and to make other changes to the Agricultural Additives, Lime, and Fertilizer Law.  
*Current Status:* 5/22/2014 - **SIGNED BY GOVERNOR**; Eff. 8/21/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_150](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_150)
- SB178**      **DEEP WELL BRINE INJECTION** (SKINDELL M) To prohibit land application and deep well injection of brine, to prohibit the conversion of wells, and to eliminate the injection fee that is levied under the Oil and Gas Law.  
*Current Status:* 10/29/2013 - Senate Energy and Natural Resources, (First Hearing)



**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_178](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_178)

- SB356**      **FERTILIZER APPLICATOR CERTIFICATION** (BROWN E) To include manure as fertilizer for purposes of fertilizer applicator certification, to revise the operation date of the fertilizer applicator certification requirements, and to declare an emergency.  
**Current Status:** 11/12/2014 - Referred to Committee Senate Agriculture  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_356](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_356)
- SCR9**        **ASIAN CARP** (PATTON T) To urge the President of the United States and the Congress of the United States to take all actions necessary to prevent Asian carp from entering the Great Lakes, including Lake Erie.  
**Current Status:** 11/19/2013 - Referred to Committee House Agriculture and Natural Resources  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_9](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_9)
- SCR25**      **GREEN BUILDING RATING STANDARDS** (UECKER J) To urge, for Ohio state agencies and other government entities, the use of green building rating systems, codes, or standards that are consistent with state energy efficiency and environmental performance objectives and policies and that meet American National Standards Institute voluntary consensus standard procedures.  
**Current Status:** 3/11/2014 - Referred to Committee House Manufacturing and Workforce Development  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_25](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_25)
- SCR34**      **U.S. EPA-STATES PRIMACY** (GENTILE L) To urge the U.S. Environmental Protection Agency to recognize the primacy of states to rely on state utility and environmental regulators in developing guidelines for reductions of carbon dioxide emissions from existing power plants and to take other specified actions regarding greenhouse gas emissions.  
**Current Status:** 2/19/2014 - Referred to Committee Senate Energy and Natural Resources  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_34](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_34)
- SR410**      **IMPORTED GLASS PRODUCTS** (SCHAFER T) To urge the United States Department of Commerce to utilize all available resources to prevent dumping and the subsidization of imported glass products in the United States finished glass market.  
**Current Status:** 12/2/2014 - Bills for Third Consideration  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SR\\_410](http://www.legislature.state.oh.us/res.cfm?ID=130_SR_410)



John R. Kasich, Governor  
Mary Taylor, Lt. Governor  
Craig W. Butler, Director

September 30, 2014

Dear Stakeholder:

Making sure we are doing our job in a fair and responsible way is important to us at Ohio EPA. In fact, being clear and consistent about Agency standards is our highest priority. In our ongoing effort to provide you with the best customer service we can at Ohio EPA, we will start rotating staff throughout our districts and divisions this fall.

We believe staff rotation will enhance the uniformity of our inspections while also providing new perspectives and ideas – greatly improving the effectiveness of our efforts. And while some of our staff will be rotating, management in each division and district should remain the same so you should always have someone familiar with whom to discuss issues if they arise.

As many of you know, creating professional development opportunities in any area of business is essential to maintaining a well-rounded organization. Many of you in the private sector offer your employees these opportunities and we are implementing a similar strategy in an effort to streamline our operations and improve the depth and breadth of our employees' knowledge.

By providing a wider range of experiences to our inspectors, we believe you will benefit from a more well-rounded customer service experience.

An Agency division or district representative will be in contact with you to provide additional details on how staff rotation will be occurring for individual facilities. If you have any questions about our staff rotation initiative, please contact the appropriate division program chief.

Sincerely,

A handwritten signature in black ink that reads "Craig W. Butler". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Craig W. Butler  
Director

# What Could New Ozone Regulations Cost Ohio?



**\$204 Billion** Gross State Product Loss from 2017 to 2040

**218,415** Lost Jobs or Job Equivalents per Year

**\$156 Billion** in Total Compliance Costs

**\$2,730** Drop in Average Household Consumption per Year

**\$30 Billion** More for Residents to Own/Operate Their Vehicles Statewide (2017 to 2040)

Up to a **15 Percent Increase** in Residential Electricity Prices (National Average)

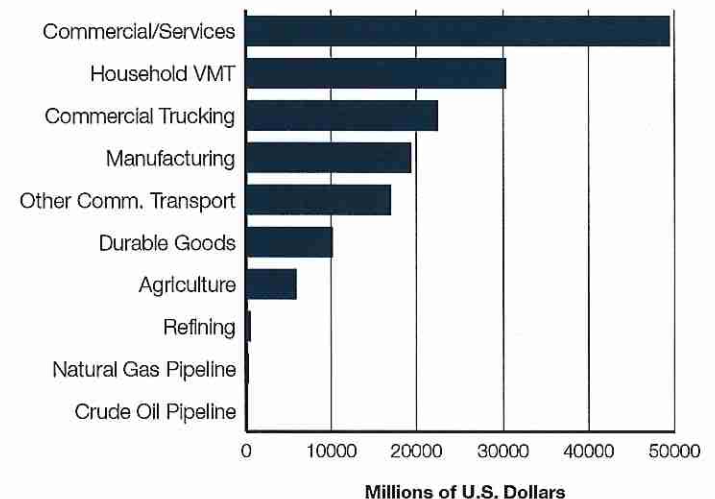
Up to a **32 Percent Increase** in Residential Natural Gas Prices (National Average)

Shutdown of **81 Percent** of **Ohio's** Coal-Fired Generating Capacity

## Expensive New Ozone Regulation Will Put the Squeeze on Ohio

The Environmental Protection Agency's (EPA) new ozone regulation could be the most expensive ever issued on the American public, costing the nation \$270 billion to \$360 billion annually. This regulation would hurt manufacturers and could increase costs for households in Ohio while reducing workers' incomes by the equivalent of 218,415 lost jobs,<sup>1</sup> according to a new study by NERA Economic Consulting and commissioned by the National Association of Manufacturers.<sup>2</sup> Cities, towns and rural areas across the United States would see reduced economic growth as unachievable permitting requirements prevent businesses from expanding or opening up new operations. Local and state governments would have to revisit vehicle inspection programs. Manufacturers would need to make technical and formula changes to their products and pay for replacement equipment.

**Figure 1: Total Compliance Costs by Sector to Meet a 60 ppb Ozone Standard**



<sup>1</sup> Total job equivalents equal total labor income change divided by the average annual income per job. Job impact estimates represent the average annual impact from 2017 through 2040.

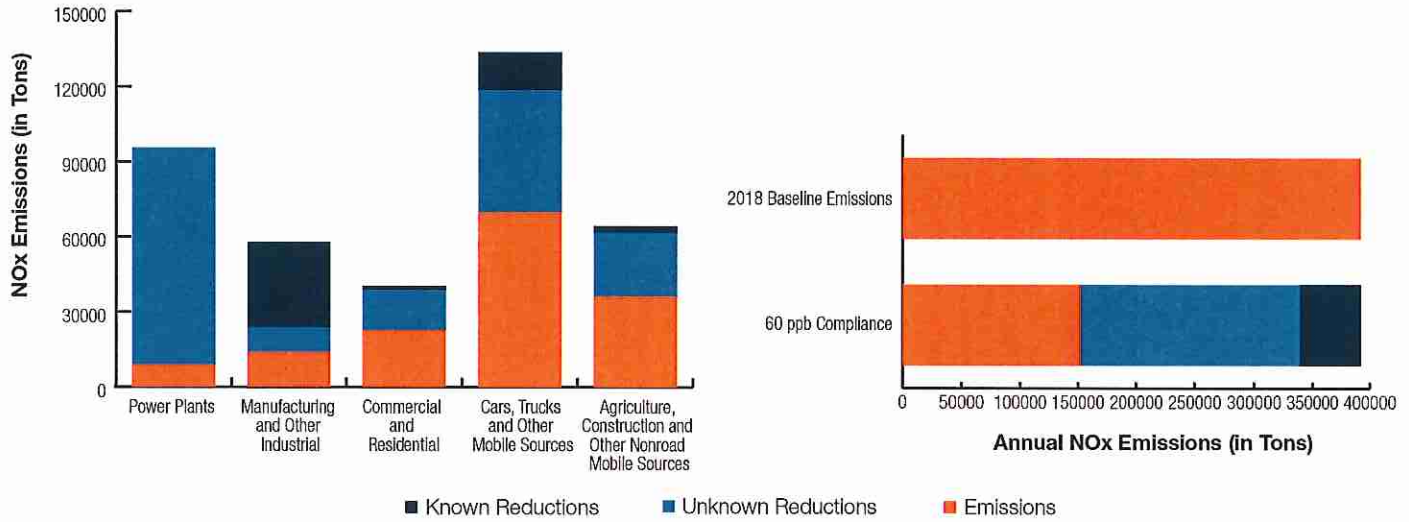
<sup>2</sup> NERA Economic Consulting analyzed the economic impact of tightening the National Ambient Air Quality Standard (NAAQS) for ground-level ozone to 60 parts per billion (ppb). In its Second Draft Policy Assessment for the Review of the Ozone NAAQS, the EPA indicated it is considering lowering the standard to 60 ppb.



# Are These Regulations Even Attainable?

New ozone regulations could cost Ohio hundreds of billions of dollars to reduce emissions to federally required levels. The EPA has identified only **22 percent** of the controls needed to meet the standard. The remaining **78 percent** of reductions would have to be met with unknown controls that the EPA has not yet identified but which would likely have to include early shutdowns and scrapping of existing facilities, equipment and vehicles.

**Figure 2: Ohio Nitrogen Oxide (NOx) Emissions and Known and Unknown Control Measures Necessary to Achieve a 60 ppb Ozone Standard**

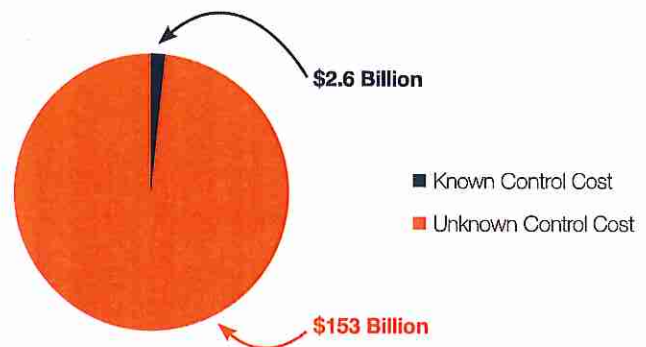


Early retirement and scrapping of power plants, industrial facilities, heavy-duty trucks and equipment and automobiles would be much more costly ways to remove each additional ton of emissions than the controls the EPA has identified. As a result, while unknown controls are responsible for a significant portion of the necessary reductions, they account for the vast majority of the total costs, as shown in the pie chart below. This reality helps explain the exorbitant costs that would come with a stricter ozone standard.

## A Moving Regulatory Target

Air quality continues to improve, and NOx emissions are already down nearly 60 percent nationwide since 1980, which, after adjusting for economic growth, implies a 90 percent reduction in emission rates from the relatively uncontrolled 1990 rates for NOx-emitting sources. Meanwhile, the existing ozone standard that was tightened in 2008 hasn't even been implemented yet. With all the progress we've made and the further investments that will take place without new ozone regulations, now is not the time to move the regulatory target—not at these costs.

**Figure 3: Total Ohio Compliance Costs: \$156 Billion**



# EPA Proposes Smog Standards to Safeguard Americans from Air Pollution

Release Date: 11/26/2014

Contact Information: Enesta Jones, Jones.enesta@epa.gov, 202-564-7873, 202-564-4355; En español: Lina Younes, younes.lina@epa.gov, 202-564-9924, 202-564-4355

**WASHINGTON--** Based on extensive recent scientific evidence about the harmful effects of ground-level ozone, or smog, EPA is proposing to strengthen air quality standards to within a range of 65 to 70 parts per billion (ppb) to better protect Americans' health and the environment, while taking comment on a level as low as 60 ppb. The Clean Air Act requires EPA to review the standards every five years by following a set of open, transparent steps and considering the advice of a panel of independent experts. EPA last updated these standards in 2008, setting them at 75 ppb.

"Bringing ozone pollution standards in line with the latest science will clean up our air, improve access to crucial air quality information, and protect those most at-risk. It empowers the American people with updated air quality information to protect our loved ones - because whether we work or play outdoors - we deserve to know the air we breathe is safe," said EPA Administrator Gina McCarthy. "Fulfilling the promise of the Clean Air Act has always been EPA's responsibility. Our health protections have endured because they're engineered to evolve, so that's why we're using the latest science to update air quality standards - to fulfill the law's promise, and defend each and every person's right to clean air."

EPA scientists examined numerous scientific studies in its most recent review of the ozone standards, including more than 1,000 new studies published since the last update. Studies indicate that exposure to ozone at levels below 75 ppb -- the level of the current standard -- can pose serious threats to public health, harm the respiratory system, cause or aggravate asthma and other lung diseases, and is linked to premature death from respiratory and cardiovascular causes. Ground-level ozone forms in the atmosphere when emissions of nitrogen oxides and volatile organic compounds "cook" in the sun from sources like cars, trucks, buses, industries, power plants and certain fumes from fuels, solvents and paints. People most at risk from breathing air containing ozone include people with asthma, children, older adults, and those who are active or work outside. Stronger ozone standards will also provide an added measure of protection for low income and minority families who are more likely to suffer from asthma or to live in communities that are overburdened by pollution. Nationally, 1 in 10 children has been diagnosed with asthma.

According to EPA's analysis, strengthening the standard to a range of 65 to 70 ppb will provide significantly better protection for children, preventing from 320,000 to 960,000 asthma attacks and from 330,000 to 1 million missed school days. Strengthening the standard to a range of 70 to 65 ppb would better protect both children and adults by preventing more than 710 to 4,300 premature deaths; 1,400 to 4,300 asthma-related emergency room visits; and 65,000 to 180,000 missed workdays.

EPA estimates that the benefits of meeting the proposed standards will significantly outweigh the costs. If the standards are finalized, every dollar we invest to meet them will return up to three dollars in health

benefits. These large health benefits will be gained from avoiding asthma attacks, heart attacks, missed school days and premature deaths, among other health effects valued at \$6.4 to \$13 billion annually in 2025 for a standard of 70 ppb, and \$19 to \$38 billion annually in 2025 for a standard of 65 ppb. Annual costs are estimated at \$3.9 billion in 2025 for a standard of 70 ppb, and \$15 billion for a standard at 65 ppb.

A combination of recently finalized or proposed air pollution rules – including “Tier 3” clean vehicle and fuels standards – will significantly cut smog-forming emissions from industry and transportation, helping states meet the proposed standards. EPA’s analysis of federal programs that reduce air pollution from fuels, vehicles and engines of all sizes, power plants and other industries shows that the vast majority of U.S. counties with monitors would meet the more protective standards by 2025 just with the rules and programs now in place or underway. Local communities, states, and the federal government have made substantial progress in reducing ground-level ozone. Nationally, from 1980 to 2013, average ozone levels have fallen 33 percent. EPA projects that this progress will continue.

The Clean Air Act provides states with time to meet the standards. Depending on the severity of their ozone problem, areas would have between 2020 and 2037 to meet the standards. To ensure that people are alerted when ozone reaches unhealthy levels, EPA is proposing to extend the ozone monitoring season for 33 states. This is particularly important for at-risk groups, including children and people with asthma because it will provide information so families can take steps to protect their health on smoggy days.

The agency is also proposing to strengthen the “secondary” ozone standard to a level within 65 to 70 ppb to protect plants, trees and ecosystems from damaging levels of ground-level ozone. New studies add to the evidence showing that repeated exposure to ozone stunts the growth of trees, damages plants, and reduces crop yield. The proposed level corresponds to levels of seasonal ozone exposure scientists have determined would be more protective.

EPA will seek public comment on the proposal for 90 days following publication in the Federal Register, and the agency plans to hold three public hearings. EPA will issue final ozone standards by [October 1, 2015](#).

To view the proposal: <http://www.epa.gov/glo/>



November 21, 2014

Air and Radiation Docket and Information Center  
U.S. Environmental Protection Agency  
Mail Code: 2822T  
1200 Pennsylvania Ave., NW  
Washington DC, 20460

**Re: Carbon Emission Guidelines for Existing Stationary Sources:  
Electric Utility Generating Units;  
Docket ID No. EPA-HQ-OAR-2013-0602;**

The Ohio Manufacturers' Association (OMA) is hereby providing its written comments to U.S. EPA's "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Unit." OMA is dedicated to protecting and growing manufacturing in Ohio, and for more than 100 years, has supported reasonable, necessary, and transparent environmental regulations promoting the health and well-being of Ohio's citizens.

The OMA, as a trade organization representing over 1,400 manufacturers throughout Ohio, appreciates the opportunity to weigh in on the approach set forth by U.S. EPA in its proposed Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, also known as the Clean Power Plan ("CPP"). Access to abundant, affordable, and reliable energy is helping to spur a manufacturing renaissance in Ohio and powering an economic rebound in Ohio. In order to continue its manufacturing growth Ohio's manufacturers need policies that support the continued provision of affordable electricity.

U.S. EPA should abandon the current CPP plan, which appears impractical and based on flawed interpretations of the Clean Air Act. Instead the OMA and its members encourage U.S. EPA to reconsider its current plan and outline a more reasonable path forward that supports Ohio jobs and its economy by allowing all energy sources to play a role in America's energy future.



Consumers of energy, whether large manufacturers or an individual households, benefit most from an all-of-the-above energy strategy. Diversity of energy supply is not only critical in keeping energy costs reasonable, it is essential in ensuring steady and reliable streams of energy to power factories and heat homes. If regulations like CPP force energy options off the table, energy prices will become more volatile, costs will increase, reliability will be threatened and ultimately U.S. firms will be less competitive.

By moving forward with the CPP, U.S. EPA by its own estimates would raise electricity prices between 6% and 7% in 2020 and up to 12% in some locations. An independent analysis shows that the impacts on energy prices could be substantially higher. An analysis by NERA Economic Consulting indicated that average U.S. electricity prices would increase by 12% per year and the total costs of the rule could be between \$366 billion to \$479 billion over a 15 year timeframe.<sup>1</sup>

There is a direct correlation between the cost of energy and manufacturing output. A study conducted by Cleveland State University found that an increase in the industrial electricity price of 1% kilowatt-hour is likely, in 99% of cases, to decrease average manufacturing productivity on average, by \$2,527 of annual gross state product per employee. The research indicates that a 1% increase in industrial electricity prices drops manufacturing productivity by 0.13%.<sup>2</sup> Thus, electricity prices increased by the CPP will have a significant effect on the gross state product of Ohio.

The OMA is concerned that the CPP expands the EPA's 40-year mandate as the preeminent regulator of the environment to become the nation's regulator of energy. The proposed rule dictates not only what types of fuel should be used to generate our nation's electricity, but how and in what quantities end-users should consume it.

The OMA urges the U.S. EPA to reconsider its proposal and proceed with a more reasonable, legal and technically sound plan.

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<sup>1</sup> NERA Economic Consulting, Potential Energy Impacts of the EPA Proposed Clean Power Plan, October 2014.

Available at: [http://www.americaspower.org/sites/default/files/NERA\\_CPP%20Report\\_Final\\_Oct%202014.pdf](http://www.americaspower.org/sites/default/files/NERA_CPP%20Report_Final_Oct%202014.pdf)

<sup>2</sup> Cleveland State University, Moving Ohio Manufacturing Forward: Competitive Electricity Pricing, October 2014 at ii.

Available at: [http://www.ohiomfg.com/wp-content/uploads/2014\\_11\\_20\\_CSU\\_Moving-Ohio-Mnf-Forward\\_2013.pdf](http://www.ohiomfg.com/wp-content/uploads/2014_11_20_CSU_Moving-Ohio-Mnf-Forward_2013.pdf)



John R. Kasich, Governor  
Mary Taylor, Lt. Governor  
Craig W. Butler, Director

## **Ohio EPA Comments on U.S. EPA's Clean Power Plan**

### **Background**

The U.S. Environmental Protection Agency (U.S. EPA) proposed its Clean Power Plan in June with the goal of reducing carbon emissions from existing electric power plants. Under the proposed rules, which the U.S. EPA asserts it has the authority to issue under the Clean Air Act, Ohio would be required to reduce power plant carbon emissions by 29 percent by 2030 from 2012 emission levels.

U.S. EPA invited comment from the public on its proposed rule through Dec. 1 and then will issue a final rule in June 2015. States would be required to submit compliance plans by June 2016.

### **Ohio EPA's Comments Are Based on Public Comment and Technical Analysis**

In preparing its comments on the U.S. EPA's proposed rule, the Ohio EPA and Public Utility Commission of Ohio held public meetings to get input from Ohioans. Both agencies also conducted significant analysis of the proposed rules to determine how it would impact the state's electricity infrastructure and economy. Ohio EPA and the PUCO filed those comments with U.S. EPA on Mon., Dec. 1 and they can be viewed here: Ohio EPA's comments can be viewed at <http://epa.ohio.gov/dapc/111drule.aspx>.

### **Highlights of Ohio EPA's Comments**

- **The Targets Are Unachievable:** The proposed 6 percent increase in efficiency which U.S. EPA's proposed rules seeks to impose on existing power plants is unachievable, especially for Ohio's fleet of coal-fired power plants which have already installed advanced air pollution control equipment and efficiency improvements.
  - U.S. EPA's proposed 6 percent heat rate improvement for coal-fired power plants is based on a study (Sargent & Lundy) whose authors have said is being misused by U.S. EPA.
  - U.S. EPA makes errors in its analysis of Ohio's generation capacity and potential for improvements at individual plants,
  - There are fundamental flaws in US EPA's heat rate improvement justification and feasibility analysis that render its target reductions for Ohio inaccurate.
- **Technical Flaws in Renewable Energy/Energy Efficiency Proposal:** U.S. EPA's consideration of the impact of renewable energy and energy efficiency efforts is technically flawed and contributes to its unachievable targets for carbon emissions reductions.

- Power Plant Reliability Would Suffer: U.S. EPA’s proposal that Ohio’s natural gas power plants should run 70 percent of the time is impractical. Many of those plants are not designed or permitted for such a high level of operation and would need costly upgrades—which would be paid for by Ohio’s residential and business ratepayers.
- Not Enough Time, Even if Targets Were Realistic: Even if U.S. EPA’s targets were technically achievable and economically feasible, the rule does not give states enough time to make the necessary changes that would result in such significant carbon emissions reductions.

### **Ohio EPA Public Statement**

The following statement is attributable to Ohio EPA Spokesperson Heidi Griesmer:

“Ohio EPA has an obligation to be good stewards of the environment, and we support having a robust energy policy that is protective of air quality and public health. However, U.S. EPA’s proposed Clean Power Plan is technically flawed, not legal and unworkable in its current form.”

## **Executive Summary**

U.S. EPA proposes to revamp the entire power generation, transmission and distribution system by using Section 111(d) of the Clean Air Act (CAA), a rarely-used section that reserves much authority and flexibility to the states. The U.S. Supreme Court has held that vast regulatory expansions can only stem from clear Congressional authorization. Through its proposed Section 111(d) rulemaking, U.S. EPA is seeking to broadly expand its regulatory reach from emission control to power generation, transmission and distribution control without having the clear authority under the CAA.

As a result, Ohio EPA has reached out extensively to entities that would be regulated under this proposal; other state agencies that will undoubtedly be impacted; state, federal and private organizations with expertise in electricity production and distribution; and numerous other stakeholders, such as environmental organizations. This outreach effort proved essential to understanding the ramifications of this proposal to Ohio and in forming Ohio EPA's comments.

Overall, Ohio EPA has reviewed this proposed regulation and is providing both legal and technical comments. Ohio EPA did not focus on the stated objectives related to climate change, but rather provides a sound detailed analysis on the proposal's cost to consumers, projected impact on power system reliability, as well as identifies omitted information and specifically identifies our concerns regarding the inappropriate use of IPM to predict technical feasibility, reliability and cost-effectiveness. Below are a summary of our findings.

### **General Comments:**

- Since 2005, Ohio has reduced carbon dioxide (CO<sub>2</sub>) emissions from 138 million tons to 107 million tons in 2013. Further reductions due to Mercury and Air Toxics Standard (MATS) shut downs could result in as much as an additional 33.8 million tons of CO<sub>2</sub> reductions between 2015 and 2016.
- As a result of U.S. EPA's recent MATS, Ohio will lose roughly 30% of 2012's coal-fired generating capacity. As generating units install control equipment to comply with MATS, this CO<sub>2</sub> proposal layers an even greater degree of uncertainty on the industry.
- U.S. EPA failed to understand and recognize the unique circumstances of Ohio as a deregulated energy marketplace. Within the proposal U.S. EPA compares vertically integrated and deregulated marketplaces, however nowhere does U.S. EPA take these differences into consideration in establishing the best system of emission reduction.

### **Cost and Reliability:**

- Ohio supports diversification of energy sources that responsibly maintain or increase reliability and provides predictable and low costs to consumers. This proposed rule jeopardizes these fundamental benefits to Ohio consumers.

- Currently, it is PJM Interconnection, LLC (PJM), as delegated by the Federal Energy Regulatory Commission (FERC) through the Federal Power Act, whom determines dispatch order by utilizing the least expensive resource first to meet energy demand. Nowhere is U.S. EPA delegated authority for states to usurp the Federal Power Act and mandate generation dispatch based on CO2 emissions rather than cost.
- U.S. EPA disregarded specific and detailed concerns from entities responsible for guaranteeing grid stability. To move forward with a proposed rule without adequately addressing these issues is ill advised. For instance:
  - The analysis includes no state-specific capability assessment for electricity or natural gas generation, transmission or distribution.
  - A third party cost-based model was inappropriately used as the lone justification for demonstrating nationwide power grid stability and security.
  - FERC testified to Congress regarding serious concerns about the impact of this rule on reliability. A proposal of this breadth and impact should rely on FERC, the North American Electric Reliability Corporation (NERC), regional transmission organizations and state Public Utility Commission (PUC) expertise during the early planning and development stage, yet this proposal includes major deficiencies for which these entities have clear authority.
  - One regional transmission organization responsible for dispatching power across multiple states predicts potential “rolling blackouts” and worse, “cascading outages and voltage collapse”.
- Despite a dramatic increase in predicted natural gas usage dedicated to generating electricity, no legitimate analysis of the subsequent impact on natural gas supply and/or prices was conducted.
- In this proposal renewable energy is expected to occupy an ever larger portion of electricity generation. U.S. EPA recognizes the intermittent nature of generation from renewables, yet relies on unproven grid storage technologies to provide quick response backup generation. Reliance on unproven technology, described by the Department of Energy as still in it’s “infancy” will undermine grid reliability.
- NERC completed an Initial Reliability Review of U.S. EPA's proposal. Their concerns include:
  - As directed by the Energy Policy Act of 2005, NERC is directed to conduct periodic assessments of the reliability and adequacy of the bulk power system in North America. U.S. EPA should have consulted, utilized and relied on NERC's knowledge and experience prior to releasing a proposed rule.

- o By not consulting NERC and, instead, explaining that reliability is not a concern because states have "flexibility" in plan development demonstrates a lack of understanding and due diligence on behalf of U.S. EPA.
- o NERC's analysis provides fundamental recommendations for implementing a more timely approach that addresses: resource adequacy and infrastructure deployments; continued assessment of implications by NERC and independent evaluations; coordinated regional and multi-regional evaluation of interdependencies between systems; more accounting for time to plan and build transmission infrastructure; development of a reliability assurance mechanism; assessment and planning for a changing resource mix.
- U.S. EPA's cost analysis is flawed and radically underestimates the projected cost of electricity from this proposal.
  - o Ohio's PUC conducted a state-specific analysis which showed the aggregate total price increase as a result of the Clean Power Plan will be substantial. Compliance with Building Block 2 would cost Ohioans approximately \$2.5 billion (in nominal dollars) more for electricity in 2025 alone.
  - o In a misguided approach to bring costs down, after a notable predicted increase in costs, U.S. EPA relies heavily on renewable energy and energy efficiency development to bring down costs by 2030.
  - o Many Ohio industries depend on affordable power. It is the back bone of Ohio's high quality of life and crucial for business development and expansion. Any increase in electricity and/or natural gas costs is viewed as a threat to their economic viability in Ohio.

Legal:

- Because U.S. EPA has promulgated a Maximum Achievable Control Technology standard under Section 112 for power plants, they are prohibited from regulating CO2 emissions from these same power plants under the plain language of Section 111(d).
- U.S. EPA is limited in Section 111(d) to regulate sources which would be regulated under Section 111(b) if the source had been "new". This proposal inappropriately requires states to exert regulatory authority and impose obligations on "affected entities" which potentially include countless generators and users of energy throughout the state. These "affected entities" would potentially include any renewable energy development, any energy efficiency measures, and industrial users of energy and entities located outside of Ohio.
- U.S. EPA has taken a rarely-used section of the CAA that has always been applied on a source-oriented inside-the-fenceline basis as justification to expand

their regulatory reach and exert authority over the national power generation, transmission and distribution system. U.S. EPA has misinterpreted Congressional silence to imply that Congress would agree to the broad new authority proposed in this rule.

- A companion proposal to regulate Modified or Reconstructed sources under Section 111(b) mandates that sources previously included in a state's Section 111(d) "existing" source plan will be subject to both rules following modifications or reconstruction. This misapplication of the CAA would cause undo confusion and hardships on any source attempting to operate more efficiently.
- The provision in Section 111(d) for U.S. EPA to establish a procedure similar to that provided under Section 110 is only with respect to providing procedures for each state to submit a plan which establishes standards of performance. U.S. EPA cannot expand its authority under Section 111(d) with the wholesale adoption of Section 110 requirements.

#### Specific Comments on Elements of the Clean Power Plan:

##### Building Block 1:

- U.S. EPA is mandating a 4 to 6% heat rate improvement for coal-fired power plants through misapplication of a research study (Sargent & Lundy). The use of this study was in direct contradiction to the author's stated purpose and provides an over-simplification of the complexities and variability in coal plant design and function.
- U.S. EPA relies on fundamental flaws in their heat rate improvement justification and feasibility analysis. Specifically:
  - The study incorrectly assumed that heat rate variability beyond ambient temperature and load was under control of the operator.
  - The "presumption" that all heat rate improvements were due to equipment upgrades without any technical basis or situational knowledge.
  - No attempt to recognize that heat rate improvements have already been made at many plants.

These oversights, along with other inadequacies, demonstrate that the best system of emission reduction can only be implemented through unit-specific engineering studies without the burden of federal predetermined conclusions.

- Specifically, application of 4 to 6% heat rate improvement is unrealistic for Ohio. Ohio's coal-fired fleet had an average gross heat rate of 9,788 BTU/kW-h for years 1997 to 2013. Absent this rule, Ohio's post-MATS coal fleet is projected to achieve a gross heat rate of 9,287 BTU/kW-h, representing a 5.4% heat rate improvement. After MATS shutdowns, Ohio's fleet will be extremely efficient and additional reductions will be very costly to achieve from the remaining fleet.



## Building Block 2:

- 70% re-dispatch of power generation from coal to natural gas may exert severe strain on Ohio's natural gas distribution and transmission system. No formal capability study was conducted by U.S. EPA to assess the feasibility at the state level for implementing this shift.
- U.S. EPA did not recognize known impediments including designed use of natural gas combined cycle (NGCC) units as load-following versus base load units, and necessary unavoidable costly and time consuming upgrades to the transmission and distribution system.
- U.S. EPA inappropriately justified the feasibility of this capacity increase for every natural gas unit (and some that are not even planned yet) across the state based on isolated units that operate near 70%. Re-dispatch at 70% is described by U.S. EPA in the federal register as possible "not in every individual instance but on average...technically feasible". Indeed, U.S. EPA could only model 64% re-dispatch at the state level. Seventy percent re-dispatch could only be achieved under a regional approach. To determine if re-dispatch is possible and appropriate, a unit-by-unit review is necessary.

## Building Blocks 3 and 4:

- As demonstrated by Ohio's existing Renewable Energy Portfolio Standard (RPS), Ohio supports development of renewable energy and energy efficiency programs. However, this new proposal and the associated federalization measures will disincentivize renewable energy and energy efficiency initiatives that states like Ohio have had success implementing at the state level.
- Federalization of renewable energy and energy efficiency is unacceptable. The prospect of U.S. EPA enforcement of all aspects of state plans will create a disincentive to public and private entities already making great strides in renewable energy and energy efficiency development. No entity we had discussions with during our review of this proposal, public or private, communicated their desire for this state-specific activity to be afforded to U.S.EPA.
- States' RPS programs are not uniform. U.S. EPA has provided no indication of how these differing states RPS programs would be incorporated and function under this proposal. States with existing RPS standards may need to adjust their state specific programs to meet U.S. EPA's standards. If not, states will need to duplicate all tracking, measuring, verification and reporting to separately satisfy both regulatory bodies.

## Timing:

- U.S. EPA proposes unrealistic timing throughout the proposal. Less than six months is insufficient time to provide comment on a complete overhaul of the

country's power generation, transmission and distribution system. A proposal of this breadth and potential impact should take the form of a multi-year planning and good-faith outreach effort culminating in a proposal that is well researched and attainable. This proposal is none of these.

- For states, developing a comprehensive plan including development of new regulatory and statutory authority, development of a workable state specific plan, and submittal of a plan that meets U.S. EPA's expectations is improbable. To collaborate with other states on a multi-state plan within the time provided is likely unattainable.
- U.S. EPA incorrectly believes heat rate improvement projects at affected EGUs can be implemented and 70% utilization of NGCC units can be achieved by 2020. This is technically unrealistic.
- Ohio compiled several cradle-to-grave timelines of recent efficiency improvement projects at Ohio EGUs. With inclusion of initial planning, engineering, construction and testing, the most optimistic duration is twenty months plus any delays attributable to New Source Review permitting and acquisition of PJM approval. This twenty month timeline was the product of normal, routine, and well established outage schedules via PJM. A second timeline, involving turbine upgrades, required approximately seven years to complete.

#### Omission of Critical Information:

- This proposal is 129 Federal Register pages in length and references over 1000 pages of guidance documents. U.S. EPA has been unable to respond to fundamental state questions regarding plan feasibility, grid reliability and cost impacts for Ohio and Ohio generating units.
- U.S. EPA omitted numerous documents from the docket that would assist states in understanding their goal development, and impacts including multiple IPM parsed files, heat rate improvement analysis data, details regarding enforceability and evaluation, measurement and validation approvability. In addition, U.S. EPA's recently released NODA excluded data on reformulated state goals, cost analysis, technical analysis and other administrative elements.
- U.S. EPA was unable to provide meaningful guidance on a conversion of their CO2 reduction goals from an emissions rate to mass emission target as requested by Ohio and many other states. Only in mid-November, after multiple requests from states and stakeholders, did U.S. EPA release guidance. To provide an acceptable conversion on a fundamental aspect of the proposal 2-3 weeks before the deadline is problematic. Ohio has commented on this but, simply did not have enough time to analyze the guidance and reconcile it appropriately with the rest of the proposal.

### Use of a Flawed Model:

- The feasibility of re-dispatch under this proposal was only possible through the assessment of a “shadow” cost on each ton of CO2 emissions. Only through assessment of an added cost per ton, making increased use of natural gas more affordable than coal over the compliance period, is this proposal possible. U.S. EPA fails to explain where this added revenue stream will be collected, by whom and it's appropriate use.
- Ohio EPA has serious reservations concerning U.S. EPA's over reliance on the IPM model to predict the proposed rule's feasibility, cost to consumers and impact on reliability.
- IPM is a U.S. EPA-developed cost-based model used to determine the least-cost method of meeting energy demand. When inappropriately used as a dispatch model, severe limitations become evident that undermines reliability assessment capabilities. Problems include failure to represent congestion at the local level, failure to properly assess individual units, failure to recognize and account for seasonal variation, lack of detailed transmission and distribution information, inadequate accounting of the intermittent nature of renewable energy generation.
- Ohio EPA identified multiple errors and false assumptions throughout the IPM modeling scenarios which have been identified within this submission including, but not limited to, unrealistic heat rate improvements, overly ambitious renewable energy capacity coming online, significant and potentially unrealistic capacity factors at included coal-fired units, and a notable lack of natural gas expansion in the state.

### Health and Climate Effects:

- U.S. EPA provided no scientific evidence of direct health effects of CO2 exposure in either the preamble or the supplementary support documents used to justify the proposal. U.S. EPA justifies enacting this new sweeping expansion of regulatory authority based upon vague links to preventing indirect possible impacts such as intestinal illness resulting from extreme weather impacts. This delegitimizes reasonable efforts to address the consequences of climate change.
- U.S.EPA's attempts to bolster justification and affordability of this proposed rule by identifying health benefits that will be recognized as a result of secondary reductions in criteria pollutants, not CO2. Implementation of current and future ozone, PM 2.5 and SO2 standards, and others, will reduce criteria pollutants in and of themselves, without this proposal.

### Conclusion:

Climate change is a global issue and Ohio wants and believes we are already doing our part to address this important issue. However, U.S. EPA's proposal to address climate

change through this Section 111(d) approach is not appropriate. Not only does Ohio strongly believe that U.S. EPA is inappropriately using Section 111(d) to implement this plan, rather than securing authorization from Congress, but the proposal itself is fundamentally flawed in its design and construction and jeopardizes Ohio's ability to provide low-cost, affordable, and reliable power to our citizens.

**To: OMA Government Affairs Committee**  
**From: Ryan Augsburger / Rob Brundrett**  
**Re: Human Resources Public Policy Report**  
**Date: December 3, 2014**

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### **Overview**

Unemployment insurance tax rates remain a hot topic for employers. The U.S. Department of Labor just released its 2014 State Unemployment Insurance Trust Fund Solvency report. As other states solve their debt issues, Ohio continues to only pay down the interest on the debt. Without paying off the principle, FUTA tax rates will continue to increase.

### **General Assembly News and Legislation**

#### **Unemployment Compensation and Debt Study Committee**

Earlier this summer Speaker Batchelder (R-Medina) announced a new summer legislative study committee that traveled the state to hold hearings about eliminating Ohio's nearly \$1.3 billion debt to the federal unemployment loan fund.

Ohio's unemployment tax has been raised each of the last four years as Ohio continues to struggle to pay off the loan. It was raised again this past month for its fifth hike since Ohio borrowed the federal money. The committee was chaired by Barbara Sears (R-Sylvania); the vice chair was Gary Scherer (R-Circleville). The committee made several stops across the state including OMA member Petaflex in Springfield. At the northwest Ohio hearing, OMA member O-I testified on the impact that the raising rates were having on the company.

The panel will submit a report of potential legislative recommendations to the General Assembly this month.

There is a concern what another recession could do to the solvency of Ohio's unemployment compensation fund. A recent report from the federal government on the solvency of state funds, shows that Ohio is dire shape with its current fund. While Ohio still owes more than \$1.3 billion to the federal government because of the last recession, an even larger catastrophe could take place if a second recession hits, before Ohio has built its fund back to solvent status.

#### **House Bill 329**

House Bill 329 requires the Director of Budget and Management to make payments on the balance of amounts borrowed by the state from the federal government to issue unemployment benefits and to make an appropriation. It is estimated that the state's savings would be over \$400 million. However, recent information surfaced during MBR testimony that the state would likely not receive the \$400 million in savings. The actual number is undetermined, so the state will not be spending money based on previous estimates.

## Human Resources

### Ohio Unified Workforce Plan Released

The Governor's Office of Workforce has released a draft of a "[State Unified Plan](#)" for public comment. For the first time, Ohio is submitting a single, unified plan to the federal government for the state's three largest workforce programs: the Workforce Investment Act (WIA), the Adult Basic and Literacy Education (ABLE), and the Carl D. Perkins Career and Technical Education Improvement Act (Perkins).

Apparently, Ohio will be just the fourth state to submit a unified plan, and the first to submit a plan that includes Perkins-funded programs.

Read a [fact sheet](#), and see where and when [regional public hearings](#) on the plan are scheduled. *11/19/2014*

### Workforce Development Toolkits Offered

The Manufacturing Institute (of the National Association of Manufacturers (NAM)) launched the Skills Certification System to address the skills gap challenge and to promote a renaissance of manufacturing education across the country. The Skills Certification System is designed by and for industry, and endorsed by the NAM.

The Manufacturing Institute has developed a [variety of toolkits](#) to help employers, educators and communities across the nation implement skills certifications to build a skilled manufacturing talent pipeline. Be sure to share them with your education and community partners. *11/5/2014*

### 2015 Ohio Export Intern Opportunity for Employers

The Ohio Development Services Agency is accepting applications for the 2015 Ohio Export Internship Program. The program will match companies with highly motivated students who have taken export-focused coursework, while providing a 50 percent reimbursement for the intern wages. For more information and to apply, please visit [here](#). The deadline for submitting applications is Wednesday December 10, 2014. *11/3/2014*

### Do You have a Self-Insured Group Health Plan? Read on ...

OMA Connections Partner, Bricker & Eckler LLP, reports that on October 31, the Centers for Medicare & Medicaid Services (CMS) announced a delay, until further notice, of enforcement of the requirement that controlling health plans - which includes self-insured group health plans with receipts over \$5,000,000 - obtain a Health Plan Identifier (HPID).

The Department of Health and Human Services requested additional time to consider a recent recommendation from the National Committee on Vital and Health Statistics that HPIDs not be used in HIPAA transactions.

If you are unsure about whether this requirement applies to your plan or if you have questions regarding your group health plan, please contact these lawyers at Bricker & Eckler: [Chris Poth](#) or [Peggy Baron](#). *11/4/2014*

### Ebola: Workplace Advice for Employers

Ebola Hemorrhagic Fever (also known as Ebola or EVD) has caused significant concerns for Ohio employers.

Employers have been faced with a barrage of inquiries from employees and their labor organizations seeking assurances that appropriate policies have been put in place that protect against the potential of exposure to EVD in the workplace.

Employers can and should get out in front of the issue by taking certain proactive steps. This [client alert](#) from OMA Connections Partner, Frantz Ward, is intended to provide practical guidance for employers as they wade through the legal quagmire that surrounds this issue. *10/24/2014*

### IRS Issues New Limits for Retirements Plans

On October 23, 2014, the Internal Revenue Service issued Notice 2014-99, which applies cost of living adjustments to various limits applicable to qualified retirement plans and individual retirement accounts for 2015. The notice will impact a variety of retirement plans for their upcoming plan year.

OMA Connections Partner, Dinsmore, has compiled this [comparison](#) of selected limits for plan year 2014 and the adjustments for plan year 2015. *10/28/2014*

## **EEOC Signals New Enforcement Priority: Sexual Orientation**

On October 9th, the Equal Employment Opportunity Commission (EEOC) filed an amicus brief with the Seventh Circuit Court of Appeals in Chicago seeking reconsideration of the court's decision to affirm the dismissal of a plaintiff's sexual orientation discrimination/harassment claim under Title VII of the Civil Rights Act of 1964. The court had dismissed the plaintiff's Title VII claim because Title VII prohibits sex/gender discrimination, *not* sexual-orientation discrimination.

[According](#) to OMA Connections Partner, Frantz Ward LLP, employers should expect the EEOC to now prioritize accepting and pursuing charges of discrimination on the basis of sexual orientation. Employers should take into account the EEOC's expansive view of Title VII's prohibition of sex/gender discrimination with respect to all current policies, practices, and workplace decisions. 10/22/2014

## **Must Employers Include Paid Time Off In "Hours Worked?"**

Under the Fair Labor Standards Act (FLSA), employees must be paid for all hours they are "suffered or permitted to work" for the employer. Determining exactly what constitutes "hours worked" is essential in determining an employee's compensation and remaining in compliance with both the minimum wage and overtime requirements of the FLSA.

Frequently, the issue of working time arises in the context of calculating overtime compensation. Overtime need only be paid for all hours worked in excess of 40 in a week. So what happens if the employee is off on paid sick leave, vacation, or holiday? Must the employer include this paid time off in the hours work?

Get the answers in this [compliance bulletin](#) from OMA counsel and Connections Partner, Bricker & Eckler LLP. 10/23/2014

## **NAM Releases a Workforce Toolkit**

For more than a year, the National Association of Manufacturers (NAM) board-level Task Force on Competitiveness & the Workforce has focused on effective ways to close the manufacturing talent gap. The task force has released a [guide](#) and a PowerPoint [toolkit](#) (linked here as a PDF) that you can use to build a workforce talent pipeline in your community and train workers for the jobs you need to fill. Find everything [here](#).

The work of the task force shows: "The most successful initiatives are led by manufacturers aligned to speak with one voice about the workforce they need to sustain and grow their operations. These manufacturing alliances collaboratively assess common skill deficits, create a plan for their region and take ownership to drive government and educational institutions to commit resources to make it happen." 10/10/2014

## **Voting Has Begun**

Early voting has started in Ohio. It is too late to register to vote, but if you are registered, visit [www.myohiovote.com](http://www.myohiovote.com) for all the early, absentee, and in person voting information.

Look up the candidates [here](#) on the OMA website. 10/16/2014

## **Guidance Regarding Paying Exempt Employees**

OMA Connections Partner, Bricker & Eckler LLP, provides [this guidance](#) about paying exempt employees. Generally, the Fair Labor Standards Act (FLSA) requires employers to pay exempt employees their full weekly salary if they perform any work during the workweek.

One exception is the ability to deduct an exempt employee's pay in full-day increments for absences due to sickness or disability.

Deductions for partial-day absences for exempt employees generally violate the FLSA.

Familiarity with these rules is essential to protect employees against FLSA liability. Improper deductions can result in the employee losing his or her exempt status and subject the employer to unpaid overtime wages. 10/3/2014

## **Self-Insured for Group Health? Please note ...**

OMA Connections Partner, Bricker & Eckler LLP, advises that as part of the Affordable Care Act's changes to HIPAA's administrative simplification rules, controlling health plans — which include self-insured group health plans with receipts over \$5,000,000 — are required to obtain a Health Plan Identifier (HPID) through the Centers for Medicare & Medicaid Services (CMS) by November 5, 2014.

CMS recently updated its FAQs regarding this requirement and clarified that health flexible spending accounts and health savings accounts are not required to obtain an HPID. Click [here](#) to access the FAQs. 10/8/2014



## Ohio Minimum Wage Increasing January 1, 2015

OMA Connections Partner, Bricker & Eckler LLP, [reports](#) that effective January 1, 2015, the Ohio minimum wage will increase by 15 cents, from \$7.95 per hour to \$8.10 per hour.

If you are an Ohio employer with annual gross receipts of more than \$297,000 (previously \$292,000), you must pay the Ohio minimum wage. If you are an Ohio employer and your annual gross receipts are \$297,000 or less, Ohio law requires you to pay the federal minimum wage, which is currently \$7.25 per hour (unchanged since July 2009).

The above increases are the result of the amendment to Ohio's Constitution passed by Ohio voters in 2006, which tied Ohio's minimum wage to the rate of inflation as measured by the Consumer Price Index.

An updated Ohio minimum wage poster for 2015 can be found [here](#). 10/1/2014

## Do You Operate an Employee Wellness Program?

Does your wellness plan meet the reasonable alternative standard?

According to OMA Connections Partner, Roetzel, now is the time for plan sponsors to reevaluate their wellness programs and confirm that they comply with the regulations issued under the Affordable Care Act. The Departments of Labor, Treasury, and Health and Human Services have issued regulations governing the conditions of wellness programs associated with employer-sponsored health plans.

[Read on](#) for compliance information. 9/25/2014

## New Workforce Training Funds Available Soon

The [Ohio Incumbent Workforce Training Voucher Program](#) is [making](#) a third round of funding of \$29.4 million available to businesses for fiscal year 2015 (July 1, 2014 - June 30, 2015).

As of this week, businesses can begin the [application process](#). The program has reduced the amount of up-front paperwork and added five additional months in which to complete training.

Funding is available for training in the following fields: Advanced Manufacturing, Aerospace and Aviation, Automotive, Back Office, BioHealth, Corporate Headquarters, Energy, Financial Services, Food Processing, Information Technology and Services,

Logistics, Polymers and Chemicals, and Research and Development.

The Ohio Development Services Agency will reimburse qualifying employers for up to 50 percent of the eligible training costs, up to \$4,000 per employee. Here's an [FAQ](#).

Applications are accepted on a first come, first served basis; [submit online applications](#) beginning September 30, 2014 at 10:00 a.m. 9/15/2014

## ODE Releases School Report Cards

37 districts received an A for Performance Index (PI), which awards points to schools for every level of achievement on state standardized tests, with more points being awarded for higher passing scores.

Of the 610 districts in the state, 434 received a B for PI, 115 earned a C, and 24 were awarded a D, according to Ohio Department of Education (ODE) [data](#).

The prevalence of A grades for PI is an improvement over last year when 27 districts earned that grade and 436 were given Bs.

Check out your local schools' performances [here](#). 9/12/2014

## OSHA Finalizes New Reporting Rule

This week OSHA finalized the "[Occupational Injury and Illness Recording and Reporting Requirements – NAICS Update and Reporting Revisions](#)" rule, which was proposed in June 2011. According to the human resources policy team at the National Association of Manufacturers (NAM) the rule does three major things.

First, the rule updates the list of industries exempted from reporting as well as updates the industry classifications from Standard Industrial Classification (SIC) to North American Industry Classification System (NAICS).

Second, the rule requires employers report to OSHA every in-patient hospitalization that occurs within 24 hours of learning of the incident. Currently, employers are required to report an in-patient hospitalization when three or more individuals are involved. OSHA defines in-patient hospitalization as "a formal admission to the in-patient service of a hospital or clinic for care or treatment."

Third, the rule states that once an employer reports the in-patient hospitalization to OSHA, the agency will

make the report publicly available on its website. This provision was not included in the proposed rule and as such, was not part of formal NAM comments. The NAM is looking closer at the provision and its impact.

We'll keep you apprised here as more employer compliance information becomes available. *9/11/2014*

**Share Your Manufacturing Mind, Heart and Facility with Young People**



October 3, 2014 is MFG DAY 2014. Here's a great [new video](#) that shows why it's so important to invite young people into manufacturing facilities.

Many more resources available at [MFG DAY](#) to show your community what you do and why you do it. *9/4/2014*

## Human Resources, Health Care & Employment Law Legislation

Prepared by: The Ohio Manufacturers' Association

Report created on December 1, 2014

- HB2**      **UNEMPLOYMENT COMPENSATION CLAIMANT** (DERICKSON T, BROWN T) To require an unemployment compensation claimant to register with OhioMeansJobs to be eligible for unemployment compensation benefits and to require a claimant to contact a local one-stop office beginning with the eighth week of filing for unemployment compensation benefits.  
*Current Status:* 7/11/2013 - **SIGNED BY GOVERNOR**; Eff. 10/11/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_2](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_2)
- HB3**      **HEALTH INSURANCE ACCOUNTABILITY ACT** (SEARS B, KUNZE S) To specify licensing and continuing education requirements for insurance agents involved in selling, soliciting, or negotiating sickness and accident insurance through a health benefit exchange and to make changes to copayments, cost sharing, and deductibles for health insuring corporations.  
*Current Status:* 4/30/2013 - **SIGNED BY GOVERNOR**; Eff. 7/30/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_3](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_3)
- HB22**      **MILITARY SPOUSE UNEMPLOYMENT COMPENSATION** (PILLICH C) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.  
*Current Status:* 2/13/2013 - House Commerce, Labor and Technology, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_22](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_22)
- HB37**      **SHAREDWORK OHIO PROGRAM** (DUFFEY M, SCHERER G) To create the SharedWork Ohio Program and to declare an emergency.  
*Current Status:* 7/11/2013 - **SIGNED BY GOVERNOR**; Eff. 7/11/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_37](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_37)
- HB44**      **PUBLIC HEALTH EMERGENCIES** (MCCLAIN J) To develop protocols regarding the authority to administer, deliver, distribute, or dispense drugs during certain public health emergencies.  
*Current Status:* 3/11/2014 - **SIGNED BY GOVERNOR**; Eff. 6/10/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_44](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_44)
- HB55**      **UNEMPLOYMENT ELIGIBILITY-MILITARY SPOUSE** (PILLICH C, TERHAR L) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.  
*Current Status:* 2/27/2013 - House Commerce, Labor and Technology, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_55](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_55)
- HB59**      **BIENNIAL BUDGET** (AMSTUTZ R) To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.  
*Current Status:* 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)
- HB60**      **MATERNITY UNIT RULES** (HUFFMAN M) To require that rules governing maternity units, newborn care nurseries, and maternity homes include certain provisions pertaining to the

authority to make decisions regarding the transfer of patients to other facilities and to specify procedures for granting variances or waivers of any requirement in the rules governing operation of such facilities.

**Current Status:** 2/27/2013 - House Health and Aging, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_60](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_60)

**HB91 HEALTH CARE FREEDOM ACT (YOUNG R, THOMPSON A)** To enact the Health Care Freedom Act.

**Current Status:** 4/24/2013 - House Health and Aging, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_91](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_91)

**HB94 HEALTH CARE INSURANCE (GONZALES A)** To require a health insuring corporation, public employee benefit plan, or sickness and accident insurer to reimburse a board of health for any services provided to an individual by the board that is covered by a plan issued to the individual by the health insuring corporation, public employee benefit plan, or sickness and accident insurer upon request submitted by the board of health.

**Current Status:** 5/7/2013 - House Insurance, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_94](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_94)

**HB96 PUBLIC EMPLOYEES' COLLECTIVE BARGAINING LAW (STRAHORN F)** To eliminate an exemption from the Public Employees' Collective Bargaining Law for specified educational employees.

**Current Status:** 6/11/2013 - House Education, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_96](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_96)

**HB121 OHIO HEALTH SECURITY ACT (HAGAN R, FOLEY M)** To enact the Ohio Health Security Act to establish and operate the Ohio Health Care Plan to provide universal health care coverage to all Ohio residents.

**Current Status:** 4/17/2013 - Referred to Committee House Insurance

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_121](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_121)

**HB123 TELEHEALTH SERVICES (GONZALES A, WACHTMANN L)** Regarding Medicaid and health insurance coverage of telehealth services.

**Current Status:** 2/18/2014 - **SIGNED BY GOVERNOR**; Eff. 5/20/2014

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_123](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_123)

**HB125 MEDICAID EXPANSION (CARNEY J, ANTONIO N)** To permit the Medicaid program to cover the eligibility expansion group authorized by the Patient Protection and Affordable Care Act and to make an appropriation.

**Current Status:** 4/17/2013 - Referred to Committee House Finance and Appropriations

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_125](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_125)

**HB151 RIGHT TO WORK-PRIVATE EMPLOYERS (ROEGNER K)** To prohibit any requirement that employees of private employers join or pay dues to any employee organization and to establish civil and criminal penalties against employers who violate that prohibition.

**Current Status:** 6/4/2013 - House Manufacturing and Workforce Development, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_151](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_151)

**HB152 RIGHT TO WORK-PUBLIC EMPLOYEES (MAAG R)** To remove any requirement under the Public Employees Collective Bargaining Law that public employees join or pay dues to

any employee organization and to prohibit public employers from requiring public employees to join or pay dues to any employee organization.

**Current Status:** 5/7/2013 - Referred to Committee House State and Local Government

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_152](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_152)

- HB153**      **MEDICAL CANNABIS** (HAGAN R) Regarding the medical use of cannabis.  
**Current Status:** 5/29/2013 - House Health and Aging, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_153](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_153)
- HB163**      **OHIO CIVIL RIGHTS LAW EXPANSION** (MCGREGOR R, ANTONIO N) To prohibit discrimination on the basis of sexual orientation or gender identity, to create an exception for unlawful discriminatory practices concerning admission to or membership in certain religious organizations, to add mediation to the list of informal methods by which the Ohio Civil Rights Commission must attempt to induce compliance with Ohio's Civil Rights Law before instituting a public hearing.  
**Current Status:** 5/22/2013 - House Commerce, Labor and Technology, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_163](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_163)
- HB176**      **MEDICAID REFORMS** (SEARS B) To require the Medical Assistance Director to implement Medicaid reforms, to permit the Medicaid program to cover an additional group under certain circumstances, to revise the duties of the Joint Legislative Committee on Medicaid Technology and Reform, and to make an appropriation.  
**Current Status:** 10/16/2013 - House Health and Aging, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_176](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_176)
- HB208**      **MEDICAID REFORMS** (AMSTUTZ R, SYKES V) To require the Medicaid Director to implement certain reforms to the Medicaid program, to require the Director of Job and Family Services to implement certain reforms to workforce development activities, to create the Joint Medicaid Oversight Committee to review proposed rules regarding the Medicaid and workforce development activity reforms, to require the Joint Medicaid Oversight Committee to issue reports recommending certain changes to the Medicaid program, and to abolish the Joint Legislative Committee on Health Care Oversight and the Joint Legislative Committee on Medicaid Technology and Reform.  
**Current Status:** 1/8/2014 - House Finance and Appropriations, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_208](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_208)
- HB227**      **HEALTH CARE COMPACT** (RETFERFORD W, BOOSE T) To enter into the Health Care Compact.  
**Current Status:** 4/1/2014 - **REPORTED OUT**, House State and Local Government, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_227](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_227)
- HB235**      **EMPLOYMENT APPLICATIONS** (WILLIAMS S) To prohibit employers from including on an employment application any question concerning whether an applicant has been convicted of or pleaded guilty to a felony.  
**Current Status:** 10/2/2013 - House Commerce, Labor and Technology, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_235](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_235)
- HB253**      **PAYCHECK CARD** (ROGERS J) To prohibit certain employers from requiring employees

to accept the employees' pay in the form of a paycheck card.

**Current Status:** 5/7/2014 - House Commerce, Labor and Technology, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_253](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_253)

**HB255 MEDICAID ELIGIBILITY (BECKER J)** To revise the law governing eligibility for the Medicaid program and to abolish the Medicaid Buy-In for Workers with Disabilities Program.

**Current Status:** 10/16/2013 - House Health and Aging, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_255](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_255)

**HB316 MEDICAID-COVERED COMMUNITY BEHAVIORAL HEALTH SERVICES (WACHTMANN L)** Regarding Medicaid-covered community behavioral health services.

**Current Status:** 10/30/2013 - Referred to Committee House Health and Aging

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_316](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_316)

**HB317 MEDICAID REFORM MEASURES (SEARS B)** Regarding reforms relating to Medicaid, fraud committed against the state, penalties for certain drug offenses committed against pregnant women, non-opiate medication for released inmates, prescription-related identification requirements, and education for individuals without a high school diploma.

**Current Status:** 10/30/2013 - Referred to Committee House Health and Aging

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_317](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_317)

**HB320 FREE CLINICS (YOUNG R)** To create a state income tax deduction regarding certain health care services provided at a free clinic; to extend qualified immunity from civil liability for certain volunteer health care services provided to individuals eligible for or receiving Medicaid; to authorize a person practicing under a volunteer's certificate to provide health care services to any person; to create a volunteer's certificate for retired nurses; and to designate December as "Free Clinic Appreciation Month."

**Current Status:** 11/18/2014 - **REPORTED OUT AS AMENDED**, Senate Finance, (Sixth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_320](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_320)

**HB329 FEDERAL FUNDS REPAYMENT-UNEMPLOYMENT BENEFITS (HALL D)** To require the Director of Budget and Management to make payments on the balance of amounts borrowed by the state from the federal government to issue unemployment benefits and to make an appropriation.

**Current Status:** 11/6/2013 - Referred to Committee House Finance and Appropriations

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_329](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_329)

**HB472 MBR-MID-BIENNIUM BUDGET REVIEW (MCCLAIN J)** To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

**Current Status:** 3/26/2014 - House Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)

**HB597 COMMON CORE REPEAL-REPLACE (THOMPSON A, HUFFMAN M)** To repeal and replace the Common Core Initiative academic standards and related assessment system.

**Current Status:** 11/5/2014 - **REPORTED OUT**, House Rules and Reference, (Eighth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_597](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_597)



- HB647**      **QUARANTINED PATIENT PAID LEAVE** (HAGAN R) To require paid leave for an employee who is quarantined or placed in isolation.  
*Current Status:* 10/28/2014 - Introduced  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_647](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_647)
- HCR23**      **FEDERAL WORKFORCE INVESTMENT ACT** (DERICKSON T, ROMANCHUK M) To urge the Congress of the United States to take action on the federal Workforce Investment Act to allow states greater flexibility to address current economic realities.  
*Current Status:* 10/22/2013 - **REPORTED OUT**, Senate Workforce and Economic Development, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_23](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_23)
- HJR5**      **RIGHT TO WORK** (ROEGNER K, MAAG R) Proposing to enact Section 22 of Article I of the Constitution of the State of Ohio to prohibit employees from being forced to participate in a labor organization as a condition of employment.  
*Current Status:* 6/4/2013 - House Manufacturing and Workforce Development, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_5](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_5)
- HJR6**      **MARIJUANA LEGALIZATION** (HAGAN R) Proposing to enact Section 12 of Article XV of the Constitution of the State of Ohio to legalize the production, use, and sale of marijuana under specified conditions and to provide for the regulation and taxation of marijuana.  
*Current Status:* 6/18/2013 - House State and Local Government, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HJR\\_6](http://www.legislature.state.oh.us/res.cfm?ID=130_HJR_6)
- SB4**      **PULSE OXIMETRY SCREENING** (MANNING G, OELSLAGER S) To require a pulse oximetry screening for each newborn born in a hospital or freestanding birthing center.  
*Current Status:* 6/27/2013 - **SIGNED BY GOVERNOR**; Eff. 9/27/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_4](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_4)
- SB8**      **UNEMPLOYMENT COMPENSATION BENEFITS-MILITARY SPOUSE** (LAROSE F) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.  
*Current Status:* 9/19/2013 - Referred to Committee House Military and Veterans Affairs  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_8](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_8)
- SB9**      **HEALTH INSURANCE LAWS** (BACON K) To make changes to Ohio's health insurance laws related to implementation of the Federal Affordable Care Act.  
*Current Status:* 6/4/2013 - **SIGNED BY GOVERNOR**; Eff. 9/4/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_9](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_9)
- SB11**      **SUMMER MEAL PROGRAMS** (BROWN E) To require school districts to allow alternative summer meal sponsors to use school facilities to provide food service for summer intervention services under certain conditions, to allow the distribution and consumption of meals on a school bus, and to create a healthy food license for child day-care centers and school child programs.  
*Current Status:* 3/6/2013 - Senate Medicaid, Health and Human Services, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_11](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_11)
- SB14**      **UNEMPLOYMENT COMPENSATION LAW** (KEARNEY E) To authorize programs and tax



credits to encourage the hiring of unemployed individuals, to make changes to the Unemployment Compensation Law, to authorize grants and tax credits for the rehabilitation of distressed areas and the expansion of broadband connections to rural areas, to create a revolving loan fund and a bonding program for small businesses, to make changes to the Minority Business Bonding Program, to levy taxes, and to make an appropriation.

**Current Status:** 9/24/2013 - Senate Finance, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_14](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_14)

- SB23**      **ADOPTION RECORDS** (BEAGLE B, BURKE D) Regarding access to adoption records.  
**Current Status:** 12/19/2013 - **SIGNED BY GOVERNOR**; Eff. 3/20/2014 Certain Sections Eff. 3/20/2015  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_23](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_23)
- SB25**      **SHAREDWORK OHIO PROGRAM** (PETERSON B, LAROSE F) To create the SharedWork Ohio Program and to declare an emergency.  
**Current Status:** 4/10/2013 - Referred to Committee House Commerce, Labor and Technology  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_25](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_25)
- SB26**      **HEAD INJURIES-YOUTH SPORTS** (SCHAFFER T) To correct a cross reference with regard to concussions and head injuries in athletic activities organized by youth sports organizations and to declare an emergency.  
**Current Status:** 5/28/2013 - **SIGNED BY GOVERNOR**; Eff. 5/28/2013  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_26](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_26)
- SB39**      **HUMAN PAPILOMAVIRUS SCREENINGS AND VACCINES** (BROWN E, SCHIAVONI J) To require insurance providers to cover human papillomavirus screenings and vaccines.  
**Current Status:** 2/27/2013 - Senate Insurance and Financial Institutions, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_39](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_39)
- SB45**      **PRIVATE ELECTRONIC ACCOUNTS ACCESS** (TAVARES C) To prohibit employers, employment agencies, personnel placement services, and labor organizations from requiring an applicant or employee to provide access to private electronic accounts of the applicant or employee.  
**Current Status:** 3/6/2013 - Senate Commerce and Labor, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_45](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_45)
- SB49**      **PHYSICIAN DESIGNATION STANDARDS** (PATTON T) To establish standards for physician designations by health care insurers.  
**Current Status:** 3/13/2013 - Senate Insurance and Financial Institutions, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_49](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_49)
- SB65**      **PUBLIC EMPLOYEES' COLLECTIVE BARGAINING LAW** (TURNER N) To eliminate an exemption from the Public Employees' Collective Bargaining Law for specific educational employees.  
**Current Status:** 6/12/2013 - Senate Commerce and Labor, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_65](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_65)
- SB75**      **HEALTH CARE INSURERS** (TAVARES C) To prohibit health insurers from denying payment for a service during or after the performance of the service if the insurer provided

prior written authorization for the service.

**Current Status:** 4/10/2013 - Senate Insurance and Financial Institutions, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_75](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_75)

**SB88**      **OHIO HEALTH BENEFIT EXCHANGE PROGRAM** (SKINDELL M) To establish the Ohio Health Benefit Exchange Agency and to establish the Ohio Health Benefit Exchange Program consisting of an exchange for individual coverage and a Small Business Health Options Program.

**Current Status:** 4/10/2013 - Senate Insurance and Financial Institutions, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_88](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_88)

**SB92**      **WAGE DISCRIMINATION** (TURNER N, TAVARES C) To enact the "Fair and Acceptable Income Required (FAIR) Act" and to revise the enforcement of the prohibitions against discrimination in the payment of wages.

**Current Status:** 6/18/2013 - Senate Commerce and Labor, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_92](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_92)

**SB117**      **MEDICAID PROGRAM** (SMITH S) To permit the Medicaid program to cover the eligibility expansion group authorized by the Patient Protection and Affordable Care Act and to make an appropriation.

**Current Status:** 5/8/2013 - Referred to Committee Senate Finance

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_117](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_117)

**SB119**      **DOMESTIC WORKERS PROTECTION** (TAVARES C) To require that domestic workers be paid the minimum wage, as provided in Section 34a of Article II, Ohio Constitution, to require that domestic workers be paid overtime wages, to make certain conduct directed toward a domestic worker an unlawful discriminatory practice, and to require a weekly day of rest for domestic workers.

**Current Status:** 6/18/2013 - Senate Commerce and Labor, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_119](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_119)

**SB125**      **OHIO CIVIL RIGHTS LAW EXPANSION** (LAROSE F, SKINDELL M) To prohibit discrimination on the basis of sexual orientation or gender identity, to create an exception for unlawful discriminatory practices concerning admission to or membership in certain religious organizations, to add mediation to the list of informal methods by which the Ohio Civil Rights Commission must attempt to induce compliance with Ohio's Civil Rights Law before instituting a public hearing.

**Current Status:** 6/26/2013 - Referred to Committee Senate Civil Justice

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_125](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_125)

**SB145**      **MEDICAID REFORMS** (BURKE D, CAFARO C) To require the Medicaid Director to implement certain reforms to the Medicaid program, to require the Director of Job and Family Services to implement certain reforms to workforce development activities, to create the Joint Medicaid Oversight Committee to review proposed rules regarding the Medicaid and workforce development activity reforms, to require the Joint Medicaid Oversight Committee to issue reports recommending certain changes to the Medicaid program, and to abolish the Joint Legislative Committee on Health Care Oversight and the Joint Legislative Committee on Medicaid Technology and Reform.

**Current Status:** 6/19/2013 - Senate Medicaid Finance Subcommittee, (First

Hearing)

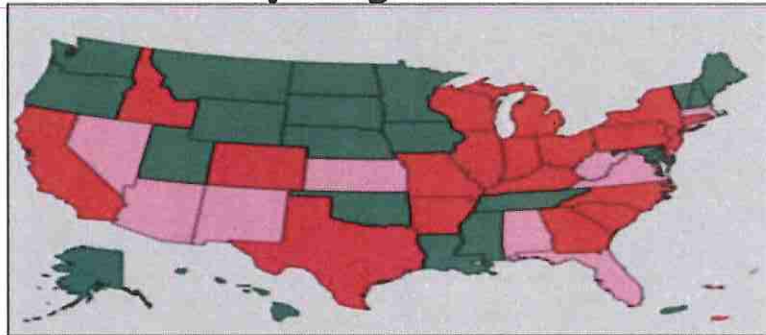
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_145](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_145)



**U.S. Department of Labor  
Office of Unemployment Insurance  
Division of Fiscal and Actuarial Services**

July 2014

# 2014 State Unemployment Insurance



## Trust Fund Solvency Report

- Individual State Data Sheets
- State Summary Tables
  - State Trust Fund Status
  - State Eligibility for 2014 Interest Free Loans
  - FUTA Credit Reductions with Estimated Add-ons
- Definitions

**View this report online at:**  
<http://ows.doleta.gov/unemploy/finance.asp>

## **Solvency of State Unemployment Insurance (UI) Trust Funds**

### **Introduction**

The publication of the yearly Solvency Report provides an opportunity for interested users to evaluate and compare the solvency level of each state's UI trust fund.

UI taxes paid primarily by employers on the wages paid to employees flow into state UI accounts maintained at the U.S. Treasury. These same accounts are the source of benefit payments to eligible claimants in the regular UI program.

In the 2007-09 recession and its aftermath, 36 states were depleted their UI funds and were forced to borrow from the Federal government to continue paying benefits. Much of the borrowing was due to the fact that many states did not have adequate UI trust funds going into the recession. Now these states are in a position of having to find ways to repay the Federal loans as well as to build up their trust funds before the next recession.

Currently, state UI programs have approximately \$15 billion in outstanding Federal loans (and approximately an additional \$10 billion in outstanding private borrowing) from 23 states. In the next few years, states will have to repay their loans and rebuild their trust funds.

This report is constructed to provide the information needed for analyzing trust fund solvency. The seventeen variables in this report are divided into three sections. The first eleven variables provide the status of the State Trust fund level, the next two items cover the state's Solvency Measures, followed by the Calculations of Federal Borrowing Statutes and FUTA Credit Reductions. An explanation and derivation of each item can be found in the report glossary.

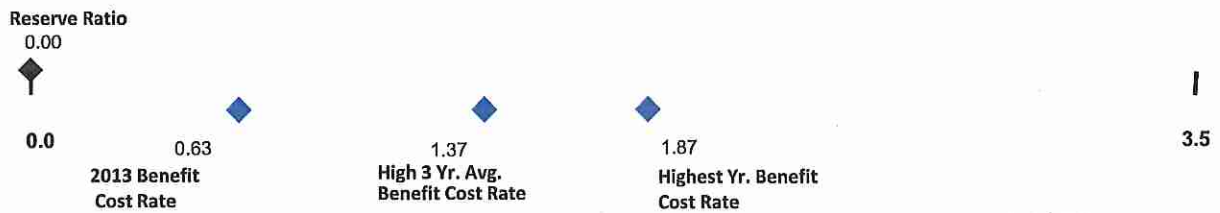
OHIO - 2014

State Trust Fund Status

1) UI Trust Fund Balance 3/31/2014:	\$7,880,823	2) Interest Earned for 2013:	\$0.00
Balance 12/31/2013:	\$51,016,111		
3) Outstanding Title XII Advance 3/31/2014:	\$1,589,750,581	4) Total Title XII Advances <sup>1</sup> :	\$3,605,488,574
5) Title XII Interest Owed for 2013:	\$44,495,535	6) Max. Amount of Outstanding Advances:	\$2,611,387,131
7) Title XII Advances Per Cov. Employee:	\$400.62	8) Date of Maximum Outstanding Amount:	4/30/2011
9) Title XII Advances as % of Cov. Wages:	0.91	10) Private Borrowing Instrument Issued:	N/A
		11) For Amount of :	\$0

State Trust Fund Solvency

12) Trust Fund Compared to Benefit Costs



13) Solvency Level (using AHCM)<sup>2</sup>



Calculations of Federal Borrowing Statutes and FUTA Credit Reductions

Eligibility for Interest Free Borrowing in 2014

14) Last year in which State achieved a 0.5 Avg. High Cost Multiple <sup>3</sup> :	2001
15) Lowest Percentage the Avg. Tax rate is of the Previous 5 yr. Ben Cost Rate (in the last 5 years)	N/A
16) Lowest Percentage the Average Tax Rate is of the Previous Avg. Year's Tax Rate (in the last 5 years)	N/A
	Ineligible

FUTA Tax Rate

17)	Credit Reduction		2.7% Add-on	BCR Add-on	Total	
	Due to Outstanding Loans				Credit Reduction	FUTA Tax Rate <sup>5</sup>
	2013	0.9%	0.0%	0.0%	0.90%	1.5%
	Potential 2014 <sup>4</sup>	1.2%	0.0%	1.4%	2.60%	3.2%

1 Total Advances from 12/31/2007 to 3/31/2014

2 Average High Cost Multiple (AHCM) value is as of 1/1/2014.

3 Must occur in the last 5 years to be eligible for an interest free loan

4 Amounts estimated as of 3/31/2014. Credit reductions apply only to states with outstanding loans as of November 10, 2014.

5 Represents the difference between total FUTA credit (with any reductions) and the FUTA tax rate of 6.0%



## Summary of State Eligibility For Interest Free Advance

2014

Table 2

STATE	Interest Free Loan Eligibility for 2014	Last Year State Achieved 0.5 AHCM	Lowest Percentage Avg. Tax Rate is of the 5 yr. Ben Cost Rate	Lowest Percentage Avg. Tax Rate is of the Previous Yr. Tax Rate
ALASKA	Eligible	2013	98%	87%
ALABAMA	Ineligible	2007	84%	80%
ARKANSAS	Ineligible	2000	94%	100%
ARIZONA	Ineligible	2008	65%	92%
CALIFORNIA	Ineligible	2002	69%	96%
COLORADO	Eligible	2013	92%	95%
CONNECTICUT	Ineligible	2007	92%	104%
DIST. OF COLUMBIA	Eligible	2013	79%	99%
DELAWARE	Ineligible	2008	69%	103%
FLORIDA	Eligible	2008	74%	109%
GEORGIA	Ineligible	2008	76%	105%
HAWAII	Eligible	2013	35%	95%
IOWA	Eligible	2013	99%	88%
IDAHO	Eligible	2013	106%	93%
ILLINOIS	Ineligible	1999	75%	85%
INDIANA	Ineligible	2008	57%	97%
KANSAS	Ineligible	2008	94%	98%
KENTUCKY	Ineligible	2002	71%	90%
LOUISIANA	Eligible	2013	47%	92%
MASSACHUSETTS	Ineligible	2007	93%	96%
MARYLAND	Eligible	2013	82%	92%
MAINE	Eligible	2013	74%	100%
MICHIGAN	Ineligible	2008	70%	99%
MINNESOTA	Eligible	2013	92%	99%
MISSOURI	Ineligible	2007	85%	95%
MISSISSIPPI	Eligible	2013	50%	85%
MONTANA	Eligible	2013	92%	98%
NORTH CAROLINA	Ineligible	2000	82%	96%
NORTH DAKOTA	Eligible	2013	96%	92%
NEBRASKA	Eligible	2013	83%	64%
NEW HAMPSHIRE	Eligible	2013	109%	98%
NEW JERSEY	Ineligible	2003	81%	104%
NEW MEXICO	Ineligible	2010	73%	95%
NEVADA	Ineligible	2008	61%	97%
NEW YORK	Ineligible	1990	84%	98%
OHIO	Ineligible	2001	75%	88%
OKLAHOMA	Eligible	2013	66%	92%
OREGON	Eligible	2013	98%	99%
PENNSYLVANIA	Ineligible	2001	77%	97%
PUERTO RICO	Eligible	2013	73%	96%
RHODE ISLAND	Ineligible	2003	75%	102%
SOUTH CAROLINA	Ineligible	2008	55%	89%
SOUTH DAKOTA	Eligible	2013	101%	66%
TENNESSEE	Eligible	2013	95%	91%
TEXAS	Ineligible	1991	77%	98%
UTAH	Eligible	2013	75%	99%
VIRGINIA	Ineligible	2008	77%	101%
VIRGIN ISLANDS	Ineligible	2007	12%	95%
VERMONT	Eligible	2013	73%	110%
WASHINGTON	Eligible	2013	70%	78%
WISCONSIN	Ineligible	2003	78%	100%
WEST VIRGINIA	Ineligible	2002	92%	99%
WYOMING	Eligible	2013	119%	100%



**TO: OMA Government Affairs Committee**  
**FROM: Ryan Augsburger / Rob Brundrett**  
**RE: Safety and Workers' Compensation Public Policy Report**  
**DATE: December 3, 2014**

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### **Overview**

The General Assembly returned from recess in early November. Not much workers' compensation legislation is expected in lame duck.

Over the summer, the Bureau of Workers' Compensation worked hard with a variety of stakeholders including, business, labor, and healthcare to make reforms to the medical portion of workers' compensation. They are hoping to get pilot program lined up this fall to launch in the new year.

### **Legislation and Rules**

#### **Another Billion Back**

Governor John R. Kasich and Ohio Bureau of Workers' Compensation (BWC) Administrator/CEO Steve Buehrer announced a \$1 billion rebate to Ohio's private and public sector workers' compensation customers, as well as a major new investment in worker safety research and training. "Another Billion Back" comes on the heels of last year's \$1 billion rebate for workers' comp customers. Both rebates were made possible by strong investment returns in the workers' compensation fund.

Recently approved by the BWC Board of Directors, eligible employers will receive a rebate equal to 60 percent of premiums paid during the July 1, 2012 through June 30, 2013 policy year. The BWC began processing in October.

#### **HB 143 Workers' Compensation Formulas (Dovilla R-Berea and Butler R-Oakwood)**

HB 143 would require the BWC to include in the notice of premium rate that is applicable to an employer for an upcoming policy year the mathematical equation used to determine the employer's premium rate. According to the BWC this information is already available on the web for all employers to review. There would be a compliance cost to the BWC to send out repeat information. The sponsors of the bill say it is necessary because not everyone has internet access.

This bill was added to the workers' compensation MBR bill as a committee amendment in the House. The Senate removed the amendment from the final version of the bill. It is not expected to move in lame duck.

#### **SB 176 Worker's Compensation Benefits (Seitz R-Green Township)**

SB 176 would prohibit illegal and unauthorized aliens from receiving compensation and certain benefits under Ohio's Workers' Compensation Law. Senator Seitz has introduced this bill in previous General Assemblies. The bill has had two hearings. It most recently had a proponent testimony hearing in January.

#### **HB 338 Test to Determine if Certain Individuals are an Employee Under BWC and Other Laws (McGregor R-Springfield and Hottinger R-Newark)**

HB 338 exempts an individual who provides services for or on behalf of a motor transportation company transporting property from coverage under Ohio's Workers'

Compensation Law, Ohio's Unemployment Compensation Law, and Ohio's Overtime Law if specified conditions apply to the individual. The bill was introduced in late November.

Initially the bill was expected to move. However it was pulled from hearings after it was determined that the changes in the bill could increase the unemployment compensation tax in the state of Ohio. Discussions continue on how to avert that result and still pass this bill in some form.

#### HB 462 and SB 290

Representative R. McGregor and Senator T. Patton introduced companion legislation that would permit a professional employer organization to file federal taxes in any manner permitted by federal law. This legislation came in response to the controversial rule package submitted by the BWC and supported by the major business which regulated the PEO industry.

The bill had three hearings in the Senate and one hearing in the House. There is speculation that the bill might receive consideration during lame duck.

#### HB 493 Mid-Biennium Review

The Governor introduced his Mid-Biennium Review (MBR) bill this winter. The bill was immediately broken into numerous smaller bills. The BWC portion of the MBR became House Bill 493. It contains two major law provisions. The first is clean up language allowing for the complete transition to prospective payments. The second is a creation of out of state coverage. The bill passed the legislature prior to summer recess and was supported by the OMA.

#### House Bill 539

Representative Henne introduced subrogation legislation late in the spring session. HB 539 has the potential to reduce claims cost for Ohio employers as they navigate through cases ripe for subrogation.

There are two elements to HB 539: 1) to defer charging workers' compensation claims to an employer's experience when a third party may be liable for the claim, and 2) to create a subrogation suspense account to which any deferral will be charged. In other words, the Bureau of Workers' Compensation would create a fund to insulate employers from the cost of claims from a workplace accident caused by a third party.

#### BWC Medical Reform

The legislature has no immediate plans to comprehensively overhaul the BWC; it still is feeling the effect of the Senate Bill 5 fight three years ago. However the BWC has been actively engaging with various stakeholders, including, trial lawyers, labor, business and healthcare. The goal of those meetings was to determine what sort of reforms could be accomplished through a general consensus.

The group began meeting in July and changes to the medical management portion of a claim was the topic. The group worked to find common ground where changes and improvements to the system could be made. The BWC is in the process of getting draft language put together for lame duck legislation that would allow new medical management pilot programs.

The full report included in the materials was presented to the full Board in September.

## **Bureau of Workers' Compensation**

### San Allen Settlement

This summer, Ohio Bureau of Workers' Compensation (BWC) Administrator/CEO Steve Buehrer announced that the bureau reached an agreement to settle the San Allen case, a class action lawsuit filed in 2007 over BWC pricing policies that were in place between 2001 and 2008. The case involved premium subsidies from one set of employers (those not in group rating) to another set of employers (those in groups) that occurred because of the operation of the BWC's actuarial credibility tables during that time period.

According to OMA Connections Partner Roetzel & Andress: "As part of the agreement, a \$420 million fund will be created to pay for claims to employers participating in the lawsuit, the attorney fees, court costs and the costs of administering the fund...The next step, once the court gives preliminary approval of the settlement, is for class members to receive instructions for submitting claims. Any unclaimed funds will be returned to the Bureau of Workers' Compensation State Insurance Fund to pay claims of injured workers, according to the release."

Originally, \$860 million was awarded by the Eight District Court of Common Pleas.

OMA will keep members up-to-date as details are learned about who can submit claims, how claims are to be submitted, and when this can/will happen

### BWC Staff Proposes 6.3 Percent Rate Cut

The Ohio Bureau of Workers' Compensation (BWC) staff proposed that the Board of Directors approve a 6.3 percent reduction to base rates beginning July 1. If approved, this cut would mark the eighth consecutive year in which private sector rates have either fallen or remained flat.

If approved, the 6.3 percent reduction will result in an overall decrease in collected premiums of \$91 million compared to premiums under the current rates.

BWC and its actuarial consultant, Oliver Wyman, attributed the proposed reduction to better than previously expected claims frequency and claims severity.

The actual premium paid by individual private employers depends on a number of factors, including the expected future costs in their industry, their recent claims history, and their participation in various discount and savings programs.

## **Ballot Issues**

### Marijuana Ballot Issue

An organization attempting to qualify a ballot issue to authorize the use of medical marijuana failed to collect adequate voter signatures by the spring deadline. The measure will not be on the November ballot. The group says it will retry in November of 2015.

## Safety & Workers' Compensation

### BWC Safety Grants Going Like Hotcakes

The Ohio Bureau of Workers' Compensation (BWC) recently approved 127 safety grants for Ohio employers totaling more than \$3.5 million. BWC designed the Safety Intervention Grant Program to assist Ohio employers in reducing illnesses and injuries and to create a partnership with them to establish best practices for accident and injury prevention.

A listing of approved grants with summaries of each employer's intervention is available [here](#).

Safety grants provide for a 3-to-1 match up to a maximum of \$40,000. Quarterly data reports and follow-up case studies help BWC determine the effectiveness of employers' safety interventions and establish best practices. 10/7/2014

### "Another Billion Back" Checks Start to Mail this Month

The Bureau of Workers' Compensation (BWC) will begin issuing checks in October equaling 60% of premiums eligible employers paid during the July 1, 2012 through June 30, 2013 policy year under its [Another Billion Back](#) program.

BWC must have employers' current mailing address on file to mail rebates. Employers with an e-account may verify their address by logging in [here](#). Employers without an e-account may contact their regular BWC representative, or call 1-800-644-6292. 9/26/2014

### Is Your Company Owed a Refund in the *San Allen, Inc. vs. BWC Case*?

The parties have reached a proposed settlement in the *San Allen, Inc., et al. v. Ohio Bureau of Workers' Compensation* (BWC) case. This class action case, which began back in December 2007 and included a class of approximately 270,000 Ohio businesses, arose out of allegations that the BWC had overcharged state-fund Ohio employers that were not group-rated between the years 2001 and 2008.

Pursuant to the proposed settlement, the BWC has agreed to create a Settlement Fund in the gross amount of \$420,000,000. After deductions for attorneys' fees and other associated costs and expenses, the remainder of the fund will be paid on a pro rata basis to qualifying Class Members who file timely claims. The Court will consider the proposed

settlement at a Final Approval Hearing on November 19, 2014.

OMA Connections Partner, Frantz Ward, [breaks down the steps](#) to making a claim. Note that proofs of claims must be postmarked no later than October 22, 2014. 9/29/2014

### Like Safety? And Contests? Read On!



The Bureau of Workers' Compensation (BWC) has announced that its [Safety Innovations Competition](#) is getting a face-lift this year with new rules and new prizes. This competition encourages and recognizes development of innovative solutions that help to reduce workplace injuries and illnesses.

The competition is open to all employers with a BWC policy number, including self-insured and public employers.

The top five entries will display their innovation at the 2015 Ohio Safety Congress & Expo where they'll be awarded cash prizes ranging from \$1,000 to \$7,000.

Click [here](#) to learn more about the competition and access the online application. Employers must complete the online application by Oct. 31, 2014. 9/24/2014

### A Pathway to Better Medical Management

This week Bureau of Workers' Compensation (BWC) staff presented a [final report](#) of stakeholders, including the OMA, from a Health Care Summit organized by the BWC. The aim of the BWC and its stakeholders is "to improve care coordination and provide high-quality care for claimants at a reasonable cost to Ohio employers."

For approximately 85% of claimants, the data suggests that the care system works fairly well. The report focuses on the remainder of claimants, those at risk of poor outcomes.

Last week, BWC Administrator Steve Buehrer and the governor's director of the Office of Health Care Transformation, Greg Moody, met with the OMA board of directors to discuss this initiative, which has

the potential to make Ohio a model for workers' comp medical care management. 9/25/2014

### **If You "Snail Mail" Your BWC Premium Payment, Take Note of New Address!**

Starting this week, for employers that submit their Bureau of Workers' Compensation (BWC) premium via U.S. mail, please note the new mailing address: Ohio Bureau of Workers' Compensation, P.O. Box 89492, Cleveland, OH 44101-6492.

The BWC changed its payment lockbox provider, from Chase to Key Bank, and will no longer use the Columbus address. Please note that there is no longer a separate overnight/express/signature required address. All payments may be sent to this new address.

Return envelopes that are sent with invoices and payroll reports will include the new address. As long as you use the envelope BWC sends out, you will not need to take any additional action. If you do not use the envelopes provided, please update the address in your system.

Payroll reporting and premium payments may also be made [online](#). BWC offers a go-green discount of 1 percent for eligible companies that do their business online. 9/15/2014

### **New OSHA Recordkeeping & Reporting Rule Summarized**

OSHA has issued a final rule that modifies recordkeeping and reporting requirements for employers. The most significant change requires an employer to notify OSHA within twenty-four (24) hours of when an employee suffers a work-related, in-patient hospitalization, amputation, or loss of an eye.

OMA Connections Partner, Frantz Ward, has [summarized](#) provisions of the recently passed OSHA rule. 9/17/2014

### **Ohio Supreme Court Says 'No' to Post-Retirement Temporary Total Compensation**

OMA Connections Partner, Dinsmore, [reports](#) that on August 27, 2014, the Ohio Supreme Court issued its unanimous opinion in *State, ex rel. Floyd v. Formica Corp.*, ruling that where a claimant voluntarily retires from the workforce following an injury, he or she becomes ineligible for a new period of temporary total disability while recovering from a post-retirement surgery.

The court upheld the Industrial Commission's denial of temporary total compensation, stating: "Because temporary-total-disability compensation is intended to compensate an injured worker for loss of earnings while the industrial injury heals, a claimant who is no longer part of the workforce can have no lost earnings."

Dinsmore predicts this case will serve as a precedent for future cases with similar facts. 9/11/2014

### **Today is Last Chance for On-Time BWC Premium Payment**

Employer premium payments and payroll reports for the first half of 2014 were due to the Bureau of Workers' Compensation on Tuesday, September 2. Any employer whose premium for isn't paid by today, Friday, September 5, will not get their [Billion Back](#) rebate! 9/4/2014

### **Timeline of San Allen Settlement Claims Processing**

OMA Connections Partner, Bricker & Eckler LLP, created this [timeline](#) to help eligible employers understand the process to claim their potential settlement proceeds in the *San Allen Inc. v. Ohio Bureau of Workers' Compensation* case, which was [settled for \\$420 million](#).

This case involved a large class of private employers seeking nearly \$1 billion in alleged Bureau of Workers' Compensation (BWC) overcharges based on their non-participation in group discounts.

The official [website](#) for the case contains information about the settlement and claims process. Employers should consult it if they have any questions. It is run by the Settlement Administrator, Garden City Group. The Settlement Administrator is to process the notices & claims. Bricker & Eckler LLP was appointed by the court as the Special Master, and serves as the "eyes and ears" of the court to make sure the process is as smooth as possible. The Special Master oversees the work of the Settlement Administrator.

If you have questions not answered by the website, please contact Bricker attorneys: [William Mason](#), [Christopher Ernst](#), or [Sue Wetzel](#). 8/26/2014

### **Another Billion Back Would Send \$126M to Ohio Local Governments**

The Ohio Bureau of Workers' Compensation (BWC) would return an estimated \$126.1 million to 3,800 local public employers under *Another Billion Back*, a

proposal announced by Governor John Kasich and Administrator/CEO Steve Buehrer on August 13.

The amount each eligible public employer would receive equals approximately 60 percent of their billed workers' compensation premium from the 2012 policy year. Out of the \$126.1 million that could be returned, cities would receive the largest portion of the rebate – approximately \$46.2 million – followed by schools receiving \$44.3 million, counties receiving \$18.7 million and townships receiving \$7.8 million.

[Here](#) are the rebate totals by county and entity-type. 8/25/2014

### **Critical! Workers' Comp. Premium Due September 2**

Ohio private employers have until September 2, 2014 to file payroll reports and submit workers' compensation premiums for the period covering January 1 to June 30, 2014.

According to Kimberly Kline, Office of Strategic Direction, Ohio Bureau of Workers' Compensation, "With the announcement of [Another Billion Back](#) it is crucial that payroll and premium get reported and paid on-time by the end of this month. ... Employers must be in an active, reinstated, combined or debtor in possession status as of September 5<sup>th</sup> to qualify for the rebate."

Pay and report on time to protect your 60% rebate! 8/18/2014

### **Safety Resources from BWC**

The Ohio BWC Division of Safety & Hygiene offers more than [74 occupational safety, health and ergonomic courses](#) for Ohio employees. Classes are held online and throughout the state at BWC's regional service offices, and they are free for those who work for employers with active workers' compensation coverage.

Here's the August BWC [Safety Update](#), packed with safety tips and resources.

And, because wellness affects safety in the workplace, learn more and find resources for health maintenance and improvement from BWC [here](#). 8/18/2014

### **Another Billion Back**

This week Governor John R. Kasich and Ohio Bureau of Workers' Compensation (BWC) Administrator/CEO

Steve Buehrer [announced](#) a \$1 billion rebate to Ohio's private and public sector workers' compensation customers, as well as a major new investment in worker safety research and training. "[Another Billion Back](#)" comes on the heels of last year's \$1 billion rebate for workers' comp customers. Both rebates were made possible by strong investment returns in the workers' compensation fund.

If approved by the BWC Board of Directors, eligible employers will receive a rebate equal to 60 percent of premiums paid during the July 1, 2012 through June 30, 2013 policy year. The proposal will be presented to the board at its August meeting, and if approved in its September meeting, BWC could begin issuing checks as early as October.

Here's a [media statement](#) issued by OMA commending the governor and Administrator Buehrer on the many improvements the bureau is making.

Administrator Buehrer is a scheduled guest presenter at the OMA's Safety & Workers' Compensation policy committee meeting on October 15. Register for call-in or in-person attendance at [My OMA](#). 8/13/2014

### **How Do Your Injury Rates and Costs Stack Up?**

The Bureau of Workers' Compensation (BWC) is embarking on a safety campaign themed *Better Business Starts with Safety, Safety Starts at BWC* to encourage employers them to take advantage of BWC's safety services before experiencing a workplace injury or illness.

BWC's new [microsite](#) allows employers to compare injury rates and costs within and across industry sectors. It also links employers directly to BWC safety consultants, who can survey their workplace and advise them on preventing occupational injuries and illnesses. 8/13/2014

### **What does 'Substituted' Drug Test Result Mean?**

OMA Connections Partner, Working Partners®, provides this [information](#) about a 'substituted' drug-test result. [Working Partners®](#) helps employers develop and maintain a drug-free workplace. 8/10/2014

### **Judge Selects Bricker & Eckler LLP to Administer \$420 Million in San Allen Refunds**

Last week, Ohio Bureau of Workers' Compensation (BWC) Administrator/CEO Steve Buehrer announced that the bureau had reached an agreement in principle to settle the *San Allen* case, a class action

lawsuit filed in 2007 over BWC pricing policies that were in place between 2001 and 2008. Employers that were not in a group rating program during the contested years will be awarded a settlement.

This week, Judge Richard McMonagle appointed Bricker and Eckler LLP to serve as Special Master for administering the claims of the BWC settlement. Its work will be distribution of funds to claimants.

Bricker & Eckler is long-time legal counsel to OMA. 8/01/2014

### **BWC Designing Health Care Management Improvements**

The Bureau of Workers' Compensation (BWC) has begun a process that will lead to improvements in its health care management system. BWC aims to lower cost and improve medical quality through better coordination of care and development of a payment system that creates incentives for best clinical practices.

Greg Moody, Governor Kasich's capable director of the Office of Healthcare Transformation, delivered an opening presentation to a group of stakeholders, including the OMA, the BWC invited to help design the improvement path. His presentation, "[Inevitable Transformation: How Health Care Delivery Is Changing](#)," will be of interest to all human resource managers responsible for health care decisions and to all workers' compensation managers looking for better results in the management of claims. So will a [second presentation](#) Moody gave on trends in managed care and patient-centered medical homes. 7/29/2014

### **BWC Settles San Allen Case for \$420 Million**

This week, Ohio Bureau of Workers' Compensation (BWC) Administrator/CEO Steve Buehrer [announced](#) that the bureau has reached an agreement in principle to settle the San Allen case, a class action lawsuit filed in 2007 over BWC pricing policies that were in place between 2001 and 2008. The case involved premium subsidies from one set of employers (those not in group rating) to another set of employers (those in groups) that occurred because of the operation of the BWC's actuarial credibility tables during that time period.

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instructions for submitting claims. Any unclaimed funds will be returned to the Bureau of Workers' Compensation State Insurance Fund to pay claims of injured workers, according to the release."

Originally, \$860 million was awarded by the Eight District Court of Common Pleas. OMA will keep members up-to-date as details are learned about who can submit claims, how claims are to be submitted, and when this can/will happen.

Here's [more](#) from Roetzel & Andress. 7/24/2014

### **Details of BWC's Switch to Prospective Premium Payment**

Did you miss OMA's webinar this week in which Bureau of Workers' Compensation (BWC) staff presented the availability of safety grants and details of the BWC's switch to prospective payment of premium?

You can catch the recorded webinar in the OMA's [online video library](#). Use your My OMA login. Search under Workers' Compensation Management. 7/24/2014

### **Pardon Me, What Did You Say?**

Are you having trouble getting your employees to use their hearing protection? This [web page](#) from NIOSH might help convince them. The site has examples of what moderate and severe hearing loss sound like and contains a link to a hearing loss simulator.

This and lots more good safety insights and tips in [BWC's July 2014 Safety Update](#). 7/10/2014

### **New BWC Media & Marketing Web Site**

Find your regional Bureau of Workers' Compensation (BWC) business development manager, request a speaker for an event or meeting, learn about the latest program offerings, and check on the BWC calendar of events by visiting its new [Media & Marketing web page](#).

This new webpage replaces the former Media Center and is accessible from the Quick Links section of the [BWC home page](#). 7/15/2014

### **BWC Changing Provider of Benefits Debit Cards**

Many injured workers, guardians and dependents receive workers' compensation benefit payments through direct deposit, but some receive their benefits on debit cards.



Although this doesn't directly affect employers, the Bureau of Workers' Compensation (BWC) announced it is switching banks for its electronic benefit debit card program. Starting in August, Key Bank will become the new program manager. Benefit recipients will receive new cards in the mail and will receive their first payment on their new Key Bank debit cards on August 28.

The existing Chase VISA cards will remain active, although no new funds will be deposited to those cards after August 27.

Here's more [information](#). 7/15/2014

### **Workers' Comp Billing System Update**

The Bureau of Workers' Compensation is changing the way it bills for workers' compensation coverage. The agency has asked us to share with you [its recent letter](#) about the changes. 7/7/2014

### **Comparison of TPA Performance of Key Claims Management Services**

'Handicap reimbursement' is a Bureau of Workers' Compensation (BWC) program designed to allow employers to gain claim-cost relief where certain pre-existing medical conditions among injured workers add recovery time and cost to the claim. For example, an injured worker with arthritis or diabetes may have a slower or more costly recovery due to the non-work related condition. When handicap reimbursement relief is awarded, employers contain costs that are out of their control.

ballot. The group says it will retry in November of 2015. 7/2/2014

When a claim receives a 'full and final settlement', the claimant is awarded a dollar amount that is considered to be a fair final payment on the claim. In order to settle a claim, the employer, the claimant and the BWC must all agree that the claim can be settled and for what amount. When a claim is settled, any reserve amount on the claim is eliminated from the employer's claims experience, and, therefore, reduces premium costs.

See how OMA Workers' Compensation Services [stack up to competitors](#) on finding and processing these important claim cost-containment strategies. 7/10/2014

### **BWC Asks Supreme Court to Hear *San Allen* Appeal**

The Ohio Bureau of Workers' Compensation (BWC) announced it will ask the Supreme Court to hear its appeal in *San Allen v. Buehrer*, a class action law suit alleging the BWC overcharged non-group rated businesses by \$860 million. The BWC hopes to have the lower court's decision overturned.

Here's a [briefing](#) on the matter from OMA Connections Partner, Bricker & Eckler LLP. 7/1/2014

### **Marijuana Ballot Issue Misses Deadline**

An organization attempting to qualify a [ballot issue](#) to authorize the use of medical marijuana failed to collect adequate voter signatures by this week's deadline. The measure will not be on the November

**Workers' Compensation Legislation**  
Prepared by: The Ohio Manufacturers' Association  
Report created on December 2, 2014

- HB33**      **INDUSTRIAL COMMISSION BUDGET** (HACKETT R) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2013, and ending June 30, 2015, and to provide authorization and conditions for the operation of Commission programs.  
*Current Status:* 3/26/2013 - **SIGNED BY GOVERNOR**; Eff. 3/26/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_33](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_33)
- HB34**      **WORKERS' COMPENSATION BUDGET** (HACKETT R) To make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2013, and ending June 30, 2015, and to provide authorization and conditions for the operation of the Bureau's programs.  
*Current Status:* 3/26/2013 - **SIGNED BY GOVERNOR**; Eff. 3/26/2013  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_34](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_34)
- HB59**      **BIENNIAL BUDGET** (AMSTUTZ R) To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.  
*Current Status:* 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)
- HB143**      **WORKERS' COMPENSATION** (DEVITIS A, BUTLER, JR. J) To require the Administrator of Workers' Compensation to include in the notice of premium rate that is applicable to an employer for an upcoming policy year the mathematical equation used by the Administrator to determine the employer's premium rate.  
*Current Status:* 5/14/2013 - House Insurance, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_143](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_143)
- HB338**      **WORKERS' COMPENSATION-UNEMPLOYMENT COMPENSATION COVERAGE** (MCGREGOR R, HOTTINGER J) To establish a test to determine whether an individual providing services for or on behalf of certain motor transportation companies is considered an employee under Ohio's Overtime, Workers' Compensation, and Unemployment Compensation Laws.  
*Current Status:* 3/12/2014 - House Commerce, Labor and Technology, (Fifth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_338](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_338)
- HB431**      **WORKERS' COMPENSATION-MEDICAID ELIGIBILITY STUDY COMMITTEE** (SEARS B, HENNE M) To create the Workers' Compensation and Medicaid Eligibility Study Committee.  
*Current Status:* 2/25/2014 - Referred to Committee House Health and Aging  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_431](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_431)
- HB462**      **PROFESSIONAL EMPLOYER ORGANIZATION-FEDERAL TAXES** (MCGREGOR R) To permit a professional employer organization to file federal taxes in any manner permitted by federal law.  
*Current Status:* 3/18/2014 - House Insurance, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_462](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_462)
- HB472**      **MBR-MID-BIENNIUM BUDGET REVIEW** (MCCLAIN J) To make operating and other

appropriations and to provide authorization and conditions for the operation of state programs.

**Current Status:** 3/26/2014 - House Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)

**HB493**      **MBR-WORKERS' COMPENSATION** (SEARS B, HENNE M) To make changes to Ohio's Workers' Compensation Law and to make an appropriation.

**Current Status:** 6/16/2014 - **SIGNED BY GOVERNOR**; Eff. 9/17/2014 Other Provisions Eff. 7/1/2015

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_493](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_493)

**HB539**      **WORKERS' COMPENSATION CLAIMS** (HENNE M) To defer the charging of workers' compensation claims to an employer's experience when a third party may be liable for the claim and to create the Subrogation Suspense Account within the State Insurance Fund to which any such deferral will be charged.

**Current Status:** 6/3/2014 - House Insurance, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_539](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_539)

**SB176**      **ILLEGAL ALIENS-WORKERS' COMPENSATION** (SEITZ B) To prohibit illegal and unauthorized aliens from receiving compensation and certain benefits under Ohio's Workers' Compensation Law.

**Current Status:** 1/29/2014 - Senate Commerce and Labor, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_176](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_176)

**SB290**      **PROFESSIONAL EMPLOYER ORGANIZATION-FEDERAL TAXES** (PATTON T) To permit a professional employer organization to file federal taxes in any manner permitted by federal law.

**Current Status:** 6/3/2014 - Senate Insurance and Financial Institutions, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_290](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_290)

**SB368**      **DISABILITY COMPENSATION** (SCHIAVONI J) To make an individual who has lost the use of a body part due to a brain injury or spinal cord injury eligible for partial disability and permanent total disability compensation under the Workers' Compensation Law.

**Current Status:** 11/12/2014 - Referred to Committee Senate Commerce and Labor

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_368](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_368)

**TO: OMA Government Affairs Committee**  
**FROM: Ryan Augsburger / Rob Brundrett**  
**SUBJECT: Tax Public Policy Report**  
**DATE: December 3, 2014**

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### **Overview**

The General Assembly returned from the campaign break to a full slate of committee hearings last week. The House and Senate will be pushing hard to pass a large amount of legislation in the final two months of the year known as "lame duck." The Senate Ways and Means Committee, under the new leadership of Senator Bob Peterson are looking to pass House Bill 5 in early December.

Next year will come a new state budget, and with it, the potential for a large scale tax reform package.

### **State Financial Condition**

The state's economy grew at 3.5% annual pace in the third quarter, up from 1.2% during the first half of the year.

Ohio employment increased by 6,000 jobs in September, and the August level was revised upward 4,500 jobs, to a total gain of 4,700. The unemployment rate decreased 0.1 percentage points to 5.6% down from 7.1% last December.

Leading economic indicators have softened somewhat recently but remain consistent with uninterrupted growth at a moderate pace across the country and in Ohio.

### **Special Committees**

#### **House Unemployment Compensation Debt Committee**

This summer the House created a special Unemployment Compensation Debt Committee to travel the state and have hearings on the state's current unemployment debt to the federal government. The debt stands at \$1.3 billion and recently it was announced that the state's FUTA tax rate will be 1.8%. The Committee heard testimony from individuals, interest groups, and companies including OMA member O-I over the course of the hearings. A final report is due next month. There are House Republicans who would like to do something in the next General Assembly to help the state quickly erase this debt.

### **Tax Legislation**

#### **House Bill 5**

After almost a full year of hurry up and wait House Bill 5 passed the House floor in November 2013. That capped off almost a year of testimony and aggressive lobbying by both the proponents and the opponents of the bill.

This fall Senate President Keith Faber announced it would be a priority to vote the bill in lame duck. The Senate Ways and Means Committee had sponsor and proponent testimony on the bill last week. This week, more hearings are scheduled. The bill is

slated to move out of committee the first week of December. The OMA testified in support of the bill.

#### House Bill 135

Representative Dorothy Pelanda (R-Marysville) introduced a bill to rehab vacant industrial buildings. This is modeled on a bill from Indiana. The bill originally included a CAT credit which the OMA was able to successfully remove from the bill. It is currently pending in Senate committee and has not had a hearing since last November. Rumors around the Statehouse, is that tax credit bills will not pass unless there is a prearranged reason.

#### Senate Bill 149/House Bill 219

Representative Jim Butler (R-Oakwood) and Senator Bill Beagle (R-Tipp City) have introduced companion bills that would authorize nonrefundable tax credits against the CAT for businesses that contribute to economic development projects undertaken by local governments and nonprofit businesses. The credit is equal to 60% of a business' contribution to a project primarily benefiting a rural area, and 50% of a contribution to a project benefiting an urban area. There is concern with these bills that they will erode the CAT base creating more pressure to increase the CAT rate on businesses. The OMA sent letters to both sponsors and has worked with them and the committee chairmen to remove the CAT credits from the bills.

#### Senate Bill 210

Senator Chris Widener (R-Springfield) quickly moved to introduce legislation following the Medicaid expansion controlling board vote that would take the expected savings from expansion and provide a permanent income tax rate reduction of 4% for all tax brackets beginning in 2014. That would put the highest bracket at 5.176%. The bill has had four hearings. The last was in February. The projected savings with Medicaid expansion might have been overstated. Because of this new information bills relying on expansion money will not be passed until a true figure can be determined.

#### Senate Bill 228

Senator Chris Widener (R-Springfield) introduced legislation in the wake of the controlling board Medicaid expansion vote that would limit the controlling board's authority to approve the expenditure of certain federal and nonfederal funds that are received in excess of the amount appropriated or are not anticipated in the current biennial appropriations act. The bill also requires information about selected non Ohio companies and requires agencies to contact Ohio entities who did not respond to an RFP. The bill was voted out of the Senate is pending in a House committee, where it has had two hearings, the last in February.

#### House Bill 230

Representative Cheryl Grossman (R-Grove City) has recently introduced and provided sponsor testimony on HB 230. This bill creates a refundable CAT credit for a business that donates food inventory to charitable organizations, equal to a percentage of a federal income tax deduction taken by the business for the same donation. This bill also puts pressure on the CAT rate. The OMA has expressed its concerns with Rep. Grossman and has offered language that could create a transparent grant program.

### House Bill 246

Representatives Terry Blair (R-Washington Twp.) and John Rogers (D-Mentor on the Lake) introduced HB 246 that allows an employer who hires a recent post-secondary graduate to deduct over five years, all or a percentage of the employer's costs of employing that graduate from the employer's gross receipts subject to the commercial activities tax. This is another concern for manufacturers. While not as bad as a credit is still creates a hidden deduction that could eventually impact the CAT rate. OMA met with Rep. Blair and then Chairman Beck on this bill to stress our concerns. The bill's last hearing was in October 2013. With Rep. Blair's untimely death over the summer, it appears unlikely this bill will have any more hearings.

### House Bill 289

House Bill 289, sponsored by Representative Kirk Schuring (R-Canton) addresses flaws in Ohio's Joint Economic Development Zone (JEDZ) law which goes beyond the original objective of supporting economic growth and development.

House Bill 289 contains the necessary provisions that resolve the unintended consequences of the JEDZ law, specifically that income tax revenues are being diverted from their intended economic development purposes unrelated to economic development, possibly in violation of due process for those paying the tax.

The Senate passed the just prior to the reelection break and the Governor signed the bill in June.

### House Bill 328

Representatives Ron Young (R-Leroy) and Christina Hagan (R-Alliance) introduced legislation from the House that would modify the authority of the controlling board to approve certain expenditures. This was reaction to the controlling board vote to expand Medicaid in the state of Ohio. The bill had its third hearing in late February where the committee accepted a sub bill.

### House Bill 336

House Bill 336 sponsored by Reps Dave Hall (R-Millersburg) and Sean O'Brien (D-Hubbard) would provide tax breaks to consumers and businesses who purchase new vehicles or convert existing vehicles to run on natural gas. The bill also provides a phase in for the motor-fuel tax collections for compressed natural gas.

The bill remains a concern because one of the tax breaks included in the bill is a CAT credit for the purchase of a new alternative fuel vehicle or conversion of a traditional fuel vehicle to an alternative fuel vehicle. The bill was passed out of the House in late March and has been assigned to the Senate Finance Committee.

### House Bill 375

In December House Speaker Pro Tem Matt Huffman (R-Lima) introduced legislation supported by the House Speaker that would increase the state's severance tax. The legislation drafted by House leadership and a portion of the oil and gas industry in Ohio would exclude the oil and gas industry from the CAT.

Two different substitute bills have been accepted by the House Ways and Means Committee. The latest version removes the CAT exclusion for C corps but includes the exclusion for pass through entities. The bill allows companies who are not excluded

from the CAT to take a credit against the severance in the amount they pay in CAT. The bill also increases the severance tax rate to 2.5%.

The Senate indicated they are not going to pass the bill during lame duck. The Governor will most likely introduce a new version with his budget in 2015.

#### House Bill 402

This bill would authorize the Tax Commissioner to either apply a taxpayer's overpayment of a tax or fee to the taxpayer's future liability or issue a refund to the taxpayer with the taxpayer having to request the credit or refund. It would also require the Department of Taxation to notify taxpayers of tax or fee overpayments. The bill passed the House and had its second hearing in the Senate on May 8<sup>th</sup>.

#### House Bill 510

This bill would gradually reduce the CAT rate by 25% over five years and increase the proportion allocated to schools and local governments. This bill while reducing the burden on businesses is not expected to move.

#### Mid-Biennium Review

The Governor introduced House Bill 472 which became the mid-biennium review (MBR) bill. This bill was quickly broken up into a plethora of bills based on topics. The tax package stayed as HB 472 and the appropriations bill became HB 483.

House Bill 472 is centered on an 8.5% income tax reduction across the board phased in over three years. It will be paid by increasing the cigarette tax by \$0.60 per pack over two years, increasing the severance tax rate to 2.75%, and raising the CAT from .26% to .30%. The bill had some early hearings; the OMA submitted a letter to leadership warning against the adverse economic impacts raising the CAT would create. Leadership has indicated if this package is going to be dealt with; it will wait until the fall.

House Bill 483 which contains a mix of random policy changes includes one CAT credit for historic rehabilitation for buildings. We were able to get this provision removed from the state budget but it has reappeared.

#### **Tax News**

##### Senate Ways and Means Committee

Senator Bob Peterson was named the new Chairman of the Senate Ways and Means Committee, replacing term limited Senator Tim Schaffer. The move was made so that Senator Peterson who has been working with stakeholders over the summer, could take the lead on the House Bill 5 legislation. Senator Peterson previously Chaired the Senate's tax study committee last fall.

##### Ohio Beats National Average in Business Tax Burden

The Council on State Taxation (COST) recently released its 2014 report on state and local business taxes.

COST says that the state and local business tax burden rose an average of 4.3% nationally in 2013. Ohio's tax burden increase was below average at 3.7%. The Ohio business tax burden equaled 4.1% of the Gross State Product, below the national average of 4.7%.



The largest tax on Ohio business was the property tax, followed by the state sales tax.

This study presents detailed state-by-state estimates of the state and local taxes paid by businesses for FY2013. It is the 12th annual report prepared by Ernst & Young LLP.

#### Ohio Ranked Low by Tax Foundation

The Tax Foundation has just released its 2015 State Business Tax Climate Index. According to the foundation, the Index is designed to show how well states structure their tax systems.

While Ohio ranks more favorably in other tax studies, the Tax Foundation ranked Ohio 44th, worse by two positions than in 2014.

#### NAM Lobbies for Extension of Federal Tax Provisions

Lawmakers in Washington still have unfinished business to attend to in “lame duck” session following the election. The National Association of Manufacturers (NAM) has a top priority to revive and extend a package of more than 50 temporary tax provisions known as the “extenders.” Most of these provisions, which cover a wide range of issues, expired at the end of 2012.

While NAM’s focus is primarily on five provisions in the package: the R&D credit, bonus depreciation, Sec. 179 enhanced expensing, CFC “look-through,” and deferral for active financing, it is actively lobbying to push the whole package through before this Congress adjourns for good.

## Tax

### OMA Tax Counsel Testifies for Muni Tax Reform

OMA tax counsel Mark Engle of Bricker & Eckler LLP [testified](#) on behalf of the OMA in Senate committee in support of HB 5, a bill that would bring needed reforms to the municipal income tax system in Ohio.

Engle noted: "(I)n 2009, the latest year for which figures were available, 577 municipal corporations (236 cities, 341 villages) in Ohio imposed a tax on income. The tax rates varied from 0.4% to 3.0%. Together, almost \$4 billion in revenue was raised. While the amount of revenue is significant, it isn't just the amount that garners criticism. It is the myriad of rules that vary from jurisdiction to jurisdiction that creates problems."

While noting that the bill "isn't perfect," Engle said, "(T)here are three advantages of HB 5 in particular that we highlight for your consideration. First, a consistent rule regarding some consideration of net operating loss carryforwards is imperative...

Second, uniformity on filing dates, estimated payment dates, statutes of limitations, penalties and interest, and a myriad of other compliance issues is important...

Finally, the occasional entrant rules need to be addressed. Employees may be in multiple jurisdictions, however, briefly, during the course of a day. Under current law, potential liability exists in every jurisdiction. Clarifying the rules, and providing a small business exception, would go a long way towards simplifying this issue."

Use the easy, quick tools at OMA's [Manufacturing Advocacy Center](#) to contact your state senator to urge support of HB 5. 11/19/2014

### Ohio Board of Tax Appeals Updates OMA Tax Committee

This week the OMA Tax Committee heard from Jim Williamson, Chairman of the [Ohio Board of Tax Appeals](#) (BTA), and staff about [the many changes](#) taking place at the BTA, including adding a small claims division, online filing, and telephonic hearings.

The BTA, through process re-engineering and implementation of a 'Resolution Center,' has reduced the time it takes to decide an appeal to fewer than 270 days. One of the biggest complaints manufacturers had with the BTA was the time it took

for cases to travel the system; this is an improvement.

Committee members were also visited by Ohio Department of Taxation Deputy Administrator, Marj Kruse, and Chief Legal Counsel, Matt Chafin, who briefed members on department policies, CAT, sales and use tax, and lame duck legislation.

The OMA 2015 Tax Committee calendar is set. To make sure you receive meeting invitations and materials, go to [My OMA](#) and subscribe to the Tax community. With a new state budget to be written in 2015, it's a good time to plug in. 11/20/2014

### To Congress: Pass Tax Extensions

The OMA joined the National Association of Manufacturers and more than 500 other organizations in letters to members of the U.S. [House](#) and [Senate](#) urging Congress to act in the lame duck session to "extend seamlessly, enhance or make permanent the expired and expiring tax provisions."

The organizations wrote: "These tax provisions are critically important to U.S. jobs and the broader economy. Failure to extend these provisions is a tax increase. It will inject instability and uncertainty into the economy and weaken confidence in the employment marketplace. Acting promptly on this matter in lame duck will provide important predictability necessary for economic growth." 11/19/2014

### Help Push Good Municipal Tax Bill to Finish Line

Municipal tax reform legislation, Sub. HB 5, was voted out of the House and is due for a vote by the Senate in this lame duck session. This is an important and common sense measure for Ohio.

Ohio has the most complicated local income tax system in the U.S. And, Ohio is the only state where each city/village makes its own rules and regulations; businesses must keep track of and comply with as many as 600 different sets of tax ordinances.

Sub. HB 5 corrects many of the deficiencies of the current system and makes Ohio's municipal income tax system simpler, fairer and more predictable.

Here is a [one-page recap](#).

You can help push this good legislation to the finish line by using the easy email tool at

OMA's [Manufacturing Advocacy Center](#) to send a note to your state senator.

There are opportunities for manufacturers to testify in support of this bill. If you're willing to share your company's story, please contact OMA's [Rob Brundrett](#). It is important for lawmakers to hear directly from the business community. *11/12/2014*

### **Tax Foundation Puts Ohio in Bottom Ten States for 2015**

The Tax Foundation has just released its [2015 State Business Tax Climate Index](#). According to the foundation, the Index is designed to show how well states structure their tax systems.

While Ohio ranks more favorably in other tax studies, the Tax Foundation ranked Ohio 44<sup>th</sup>, worse by two positions than in 2014. *10/29/2014*

### **Income Tax Break Underutilized**

Owners of pass through entities had until October 15 to file their 2013 income tax returns under extensions. This was the first year these business owners could take advantage of the 50% deduction on the first \$250,000 of income, created by Governor Kasich and the General Assembly through a tax reform bill in June 2013.

The result? Only a bit more than half of the expected number of taxpayers took advantage of the tax cut.

According to the state tax department, 379,000 business filers claimed the tax deduction. That's about half of the 717,000 filers the department estimated. The deductions totaled \$287 million in income tax, much less than the \$533 million in projected savings. *10/23/2014*

### **NAM Lobbies for Extension of Federal Tax Provisions**

Lawmakers in Washington still have unfinished business to attend to in "lame duck" session following the election. The National Association of Manufacturers (NAM) has a top priority to revive and extend a package of more than 50 temporary tax provisions known as the "extenders." Most of these provisions, which cover a wide range of issues, expired at the end of 2012.

While NAM's focus is primarily on five provisions in the package: the R&D credit, bonus depreciation, Sec. 179 enhanced expensing, CFC "look-through," and deferral for active financing, it is actively lobbying

to push the whole package through before this Congress adjourns for good.

For more information, contact NAM's [Dorothy Coleman](#), Vice President, Tax and Domestic Economic Policy at (202) 637-3077. *10/22/2014*

### **O-I Testifies at UC Debt Study Committee**

This week, Melanie Jennings, Payroll Manager, Finance, for Owens-Illinois General Inc. and Owens-Brockway Glass Container Inc., presented [testimony](#) to the Ohio House of Representatives Unemployment Compensation Debt Study Committee.

Ohio owes more than \$1.3 billion to the federal government, from whom the state borrowed during the recent recession to pay its unemployment compensation liabilities. Ohio employers face continual increases in their unemployment taxes until that loan is repaid in full.

Ms. Jennings outlined the impacts of Ohio's unemployment debt problems on O-I. "For O-I, the increase over the original estimated FUTA payment is 426% - and rising every year! In dollars, this increase is approximately \$250,000 over the original estimated FUTA payment."

The study committee spent the summer and fall touring Ohio and gathering testimony from a wide range of stakeholders on the issue. A report is planned to be released in December. *10/16/2014*

### **Which Party is Liable for Medical Devices Excise Tax in Contract Manufacturing?**

In the medical device industry, it is common for the company inventing, owning, or designing a medical device to hire an unrelated contract manufacturer to manufacture the device to the owner's exact specifications.

Since the section 4191 medical device excise tax (MDET) is imposed on the "manufacturer, producer, or importer" of the medical device, the question is whether the MDET should be imposed on the contract manufacturer or the party that invented, owned, or designed the product.

According to OMA Connections Partner, [Decosimo](#), a recent private letter ruling restates past guidance, while adding further clarity to the circumstances under which a party will be considered the "manufacturer, producer, or importer" of a medical device for purposes of the 2.3 percent medical device excise tax. [Read more](#). *9/24/2014*

## **Ohio Beats National Average in Business Tax Burden**

The Council on State Taxation (COST) recently released its 2014 [report](#) on state and local business taxes.

COST says that the state and local business tax burden rose an average of 4.3% nationally in 2013. Ohio's tax burden increase was below average at 3.7%. The Ohio business tax burden equaled 4.1% of the Gross State Product, below the national average of 4.7%.

The largest tax on Ohio business was the property tax, followed by the state sales tax.

This study presents detailed state-by-state estimates of the state and local taxes paid by businesses for FY2013. It is the 12th annual report prepared by Ernst & Young LLP. *9/24/2014*

## **OMA Files Amicus in CAT Case**

On September 4, 2014, OMA filed an amicus brief on behalf of OMA member Navistar, Inc., in the case *Navistar, Inc. v. Testa*. The case involves the credit against the commercial activity tax for net operating loss carry forwards provided by R.C. 5751.53.

The tax commissioner and the Board of Tax Appeals reduced the credit claimed by Navistar, and Navistar appealed to the Supreme Court. OMA tax counsel Mark Engel from Bricker & Eckler has provided a [synopsis](#) of the brief for members. *9/18/2014*

## **Sears Announces Next Unemployment Compensation Debt Hearing**

This week Rep. [Barbara Sears](#) (R-Monclova Township), chair of the House Unemployment Compensation Debt Study Committee, [announced](#) the next hearing will take place on September 9<sup>th</sup> at OMA member company, Pentaflex, Inc., 4981 Gateway Blvd., Springfield. The hearing will begin at 1:00 p.m.

This is an opportunity for members to voice concerns about unemployment tax rates in Ohio; rates have been increasing as the state continues to pay down its debt to the federal government. If you would like to testify at the hearing, contact OMA's [Rob Brundrett](#) for details. *9/4/2014*

## Taxation Legislation

Prepared by: The Ohio Manufacturers' Association  
Report created on December 2, 2014

- HB5 MUNICIPAL CORPORATIONS INCOME TAXES** (GROSSMAN C, HENNE M) To revise the laws governing income taxes imposed by municipal corporations.  
*Current Status:* 12/3/2014 - Senate Ways and Means, (Fourth Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_5](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_5)
- HB24 TAX EXPENDITURE REVIEW COMMITTEE** (BOOSE T) To create a Tax Expenditure Review Committee for the purpose of periodically reviewing existing and proposed tax expenditures.  
*Current Status:* 12/4/2013 - House Ways and Means, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_24](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_24)
- HB26 SALES-USE TAX EXEMPTION** (MAAG R) To exempt from sales and use taxes the sale or use of investment metal bullion and coins.  
*Current Status:* 6/5/2013 - House Ways and Means, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_26](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_26)
- HB40 INVESTIGATION OF LOST FUNDS-LIBOR** (FOLEY M) To require the Treasurer of State to investigate whether state treasury funds, custodial funds, or funds of state institutions of higher education were lost as a result of fraudulent manipulations to the LIBOR and to declare an emergency.  
*Current Status:* 2/13/2013 - Referred to Committee House Policy and Legislative Oversight  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_40](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_40)
- HB46 SMALL CLAIMS DIVISION-TAX APPEALS BOARD** (AMSTUTZ R) To create a small claims division of the Ohio Board of Tax Appeals, to allow for parties to file a notice of appeal to the Board by facsimile or electronic transmission using electronic mail, to require the Board to establish a case management schedule for appeals, and to authorize the Tax Commissioner to expedite and issue a final determination for residential property value appeals with written consent of the parties.  
*Current Status:* 2/13/2013 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_46](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_46)
- HB54 INTERNAL REVENUE CODE** (BECK P) To expressly incorporate changes in the Internal Revenue Code since December 20, 2012, into Ohio law, and to declare an emergency.  
*Current Status:* 3/12/2013 - Referred to Committee Senate Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_54](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_54)
- HB56 BUSINESS PROPERTY TAX EXEMPTION** (GERBERRY R) To allow a board of township trustees to reduce the percentage or term of a property tax exemption granted to a business under a tax increment financing agreement if the business fails to create the number of new jobs the business agreed to create in the agreement.  
*Current Status:* 3/12/2013 - House State and Local Government, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_56](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_56)
- HB59 BIENNIAL BUDGET** (AMSTUTZ R) To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.

**Current Status:** 6/30/2013 - **SIGNED BY GOVERNOR**; Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_59](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_59)

- HB63 TAX CREDIT- OIL AND GAS PRODUCTION (CERA J, O'BRIEN S)** To establish a nonrefundable commercial activity tax credit for companies involved in horizontal well drilling or related oil and gas production services that hire Ohio residents or dislocated workers who have enrolled in or completed a federally registered apprenticeship program.  
**Current Status:** 2/20/2013 - Referred to Committee House Ways and Means  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_63](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_63)
- HB81 TAX EXPENDITURES EFFECTIVENESS (DRIEHAUS D, FOLEY M)** To provide for the periodic appraisal of the effectiveness of tax expenditures.  
**Current Status:** 12/2/2014 - House Policy and Legislative Oversight, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_81](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_81)
- HB107 CAREER EXPLORATION INTERNSHIPS-TAX CREDIT (BAKER N)** To authorize a tax credit for businesses that employ high school students in career exploration internships.  
**Current Status:** 3/26/2014 - **SIGNED BY GOVERNOR**; Eff. 6/25/2014. Section 2 Eff. 3/26/2014  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_107](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_107)
- HB118 BOND ISSUES BALLOT LANGUAGE (ROEGNER K)** To revise the ballot language requirements for bond issues.  
**Current Status:** 6/11/2013 - House State and Local Government, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_118](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_118)
- HB135 INCOME TAX CREDIT-VACANT INDUSTRIAL SITE (PELANDA D, CERA J)** To authorize a nonrefundable credit against the income tax and certain business taxes for the rehabilitation of a vacant industrial site.  
**Current Status:** 11/12/2013 - **SUBSTITUTE BILL ACCEPTED**, Senate Ways and Means, (Second Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_135](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_135)
- HB138 TAX APPEALS BOARD LAW CHANGES (MCCLAIN J, LETSON T)** To make changes to the law governing the Board of Tax Appeals, including authorizing a small claims division within the Board, requiring the Board to institute measures to manage certain appeals, requiring the Board to receive notices of appeal and statutory transcripts electronically, providing pleading standards for appeals to the Board, granting the Board authority to grant summary judgments and consider motions, vesting hearing examiners with the authority to determine credibility of witnesses and issue statements of fact and conclusions of law separately, and authorizing the Board to require parties to engage in mediation, and to authorize the Tax Commissioner to expedite and issue a final determination for residential property value appeals with written consent of the parties.  
**Current Status:** 7/11/2013 - **SIGNED BY GOVERNOR**; Eff. 10/11/2013; Some Provisions Eff. 1/1/2015  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_138](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_138)
- HB189 JOBSOHIO ACCOUNTABILITY ACT (LUNDY M)** To create the JobsOhio Accountability Act.



**Current Status:** 6/4/2013 - Referred to Committee House Policy and Legislative Oversight

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_189](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_189)

**HB198 TAX INCREMENT FINANCING (BUTLER, JR. J, BURKLEY T)** To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to provide notice to the record owner of each parcel within the proposed incentive district before adopting the TIF resolution, and to permit such owners to exclude their parcels from the incentive district by submitting a written response.

**Current Status:** 12/2/2014 - Senate Ways and Means, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_198](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_198)

**HB212 SEVERANCE TAX-HORIZONTAL WELLS (HAGAN R)** To levy a tax on the severance of oil, gas, condensate, and natural gas liquids from horizontal wells, to distribute revenue from the tax to environmental and oil and gas regulatory purposes, local governments impacted and not impacted by horizontal well development, and a permanent fund to promote economic development, and to provide for the administration, investment, and use of the permanent fund.

**Current Status:** 1/21/2014 - House Agriculture and Natural Resources, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_212](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_212)

**HB219 CONTRIBUTIONS-ECONOMIC DEVELOPMENT PROJECTS (BUTLER, JR. J)** To authorize tax credits for contributions of money to economic and infrastructure development projects undertaken by local governments and nonprofit corporations.

**Current Status:** 12/4/2013 - House Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_219](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_219)

**HB224 TAX CREDITS (GONZALES A, TERHAR L)** To make various changes to the administration of the investment tax credit and the venture capital loan loss tax credit, including the increase of the maximum amount of the investment tax credit and the venture capital loan loss tax credit and the elimination of the Industrial Technology and Enterprise Advisory Councils.

**Current Status:** 6/26/2013 - Referred to Committee House Ways and Means

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_224](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_224)

**HB230 TAX CREDIT-FOOD DONATIONS (GROSSMAN C, ANIELSKI M)** To authorize an income tax or commercial activity tax credit for businesses that donate food inventory to charitable organizations.

**Current Status:** 5/21/2014 - House Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_230](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_230)

**HB245 PROPERTY TAX ROLLBACK (BARBORAK N)** To extend the 10% and 2.5% partial property tax "rollback" exemptions to new and replacement levies approved at the 2013 general election and to declare an emergency.

**Current Status:** 12/2/2014 - House Finance and Appropriations, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_245](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_245)

**HB246 TAX DEDUCTION-COLLEGE GRADUATES (ROGERS J, BLAIR T)** To allow recent college graduates to claim an income tax deduction for qualified higher education expenses and allow employers of recent college graduates to deduct the employer's costs of employing the graduate from the employer's gross receipts subject to the commercial



activities tax.

**Current Status:** 10/2/2013 - House Ways and Means, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_246](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_246)

**HB260 ELECTRONICALLY FILED TAX RETURNS (GONZALES A)** To allow the Department of Taxation to provide taxpayers who file electronic returns the option of receiving their income tax refund in the form of a credit card, debit card, prepaid card, or other device used to electronically transfer funds.

**Current Status:** 12/4/2013 - House Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_260](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_260)

**HB282 SALES-USE TAX LICENSE (ROGERS J)** To authorize vendors and others required to hold a sales or use tax license whose business and home address is the same to apply to the Tax Commissioner to keep such address confidential.

**Current Status:** 2/26/2014 - **BILL AMENDED**, House Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_282](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_282)

**HB284 HISTORIC REHABILITATION TAX CREDIT INCREASE (SCHURING K)** To increase the maximum historic rehabilitation tax credit allowed to a taxpayer, from \$5 million to \$25 million, and to limit the amount of such credit that may be claimed in each year to \$5 million.

**Current Status:** 10/10/2013 - Referred to Committee House Ways and Means

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_284](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_284)

**HB289 JOINT ECONOMIC DEVELOPMENT ZONE-DISTRICT (SCHURING K)** To require subdivisions to obtain written approval from owners and lessees of real property located within a proposed or existing joint economic development zone (JEDZ) or joint economic development district (JEDD) before approving, amending, or renewing the JEDZ or JEDD contract, to require that income tax revenue derived from a JEDZ or JEDD approved, amended, or renewed after the bill's effective date be used to carry out the JEDZ or JEDD economic development plan before being used for other purposes, and to institute contiguity requirements for which subdivisions may create a JEDZ or JEDD.

**Current Status:** 6/5/2014 - **SIGNED BY GOVERNOR**; Eff. 6/5/2014

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_289](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_289)

**HB312 ELECTRIC LIGHT COMPANY-JOB RETENTION PROGRAM COSTS (JOHNSON T)** To permit a public utility electric light company to recover costs of an economic and job retention program from all public utility electric light customers in Ohio.

**Current Status:** 1/22/2014 - House Public Utilities, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_312](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_312)

**HB319 INFRASTRUCTURE DEVELOPMENT RIDER-GAS COMPANIES (GROSSMAN C)** To permit natural gas companies to apply for an infrastructure development rider to cover costs of certain economic development projects.

**Current Status:** 12/2/2014 - House Public Utilities, (Fourth Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_319](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_319)

**HB329 FEDERAL FUNDS REPAYMENT-UNEMPLOYMENT BENEFITS (HALL D)** To require the Director of Budget and Management to make payments on the balance of amounts borrowed by the state from the federal government to issue unemployment benefits and to make an appropriation.

**Current Status:** 11/6/2013 - Referred to Committee House Finance and

Appropriations

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_329](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_329)

- HB336 GASEOUS FUEL VEHICLE CONVERSION PROGRAM** (O'BRIEN S, HALL D) To create the Gaseous Fuel Vehicle Conversion Program, to allow a credit against the income or commercial activity tax for the purchase or conversion of an alternative fuel vehicle, to reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$500, to apply the motor fuel tax to the distribution or sale of compressed natural gas, to authorize a temporary, partial motor fuel tax exemption for sales of compressed natural gas used as motor fuel, and to make an appropriation.  
**Current Status:** 5/27/2014 - Senate Finance, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_336](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_336)
- HB345 LOST REVENUE-TAX INCENTIVES** (BARBORAK N) To require the Director of Development Services to estimate the revenue that would be foregone by the state as a result of each tax incentive proposed to the Tax Credit Authority and publish that estimate on the web site of the Development Services Agency.  
**Current Status:** 3/19/2014 - House Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_345](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_345)
- HB357 SALES-USE TAX CREDITS-RECYCLED ITEMS** (BECKER J) To exclude credits afforded by vendors to consumers for conveying items of tangible personal property to the vendor for recycling or remanufacturing from the price of a sale for sales and use tax purposes.  
**Current Status:** 5/21/2014 - House Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_357](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_357)
- HB365 BUSINESS TAX OVERPAYMENT** (STINZIANO M, DUFFEY M) To require the Tax Commissioner to notify a taxpayer that the taxpayer has overpaid certain business taxes.  
**Current Status:** 12/4/2013 - Referred to Committee House Ways and Means  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_365](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_365)
- HB375 MBR-SEVERANCE TAX-HORIZONTAL OIL AND GAS WELLS** (HUFFMAN M) To levy a severance tax on well owners of oil and gas severed from horizontal wells, to create a nonrefundable income tax credit for the amount of horizontal well severance tax paid, to repeal a cost recovery assessment imposed on oil and gas well owners, to reduce the severance tax rate on natural gas extracted from nonhorizontal wells, to exclude from the tax base of the commercial activity tax gross receipts from the sale of oil or natural gas severed through use of a horizontal well, and to make an appropriation.  
**Current Status:** 5/27/2014 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_375](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_375)
- HB405 INCOME TAX CREDIT-CERTAIN DEGREES** (BUDISH A, HOTTINGER J) To grant an income tax credit to individuals who earn degrees in science, technology, engineering, or math-based fields of study.  
**Current Status:** 3/19/2014 - House Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_405](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_405)
- HB450 SALES TAX HOLIDAY** (PATTERSON J) To provide a three-day sales tax "holiday" each August during which sales of back-to-school clothing, school supplies, personal computers, and personal computer accessories are exempt from sales and use taxes.  
**Current Status:** 5/27/2014 - House Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_450](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_450)

- HB472**      **MBR-MID-BIENNIUM BUDGET REVIEW** (MCCLAIN J) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 3/26/2014 - House Ways and Means, (Third Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_472](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_472)
- HB478**      **NEW MARKETS TAX CREDIT** (BOOSE T) To eliminate the requirement that a taxpayer receive a federal New Markets tax credit in order to qualify for the state New Markets tax credit, to allow taxpayers to claim the credit earlier in the credit schedule, and to allow credit-eligible investments to be made in low-income community businesses that derive 15% or more of annual revenue from the rental or sale of real property.  
*Current Status:* 5/27/2014 - House Ways and Means, (Second Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_478](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_478)
- HB483**      **MBR-OPERATION OF STATE PROGRAMS** (AMSTUTZ R) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 6/16/2014 - **SIGNED BY GOVERNOR**; Eff. 6/16/2014 Other Sections Eff. on Other Dates  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_483](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_483)
- HB492**      **MBR-TAXATION** (SCHERER G) To provide authorization and conditions for the levy and administration of taxes in this state.  
*Current Status:* 6/16/2014 - **SIGNED BY GOVERNOR**; Eff. 9/17/2014  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_492](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_492)
- HB510**      **COMMERCIAL ACTIVITY TAX** (BRENNER A) To reduce the commercial activity tax (CAT) rate and minimum payment amounts and to reduce the proportion of CAT revenue allocated to the general revenue fund.  
*Current Status:* 5/27/2014 - House Ways and Means, (First Hearing)  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_510](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_510)
- HB517**      **MOTOR FUEL RECEIPTS TAX** (SMITH R, ROSENBERGER C) To change the motor fuel receipts tax to be imposed on gross receipts to a petroleum activity tax to be imposed on a hybrid of gallonage and the average wholesale price of gasoline and diesel fuel.  
*Current Status:* 5/7/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_517](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_517)
- HB571**      **EMERGENCY PROPERTY TAX-POLITICAL SUBDIVISIONS** (ROGERS J) To authorize subdivisions to levy a fixed-sum emergency property tax for police, fire, or emergency medical services purposes.  
*Current Status:* 11/6/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_571](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_571)
- HB579**      **PROPERTY TAX VALUATION DISPUTE HEARING** (GROSSMAN C) To prohibit any party to a property tax valuation dispute, other than the original complainant, from appearing at a county board of revision hearing or subsequent appeal unless the party calls as a witness a representative of the county auditor or another qualified person who has appraised the property at issue.  
*Current Status:* 6/3/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_579](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_579)

- HB638**      **BUDGET STABILIZATION FUND DEPOSIT** (BECK P) To require an annual deposit to the Budget Stabilization Fund equal to 5% of General Revenue Fund revenues for the preceding fiscal year.  
*Current Status:* 11/6/2014 - Referred to Committee House Finance and Appropriations  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_638](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_638)
- HB639**      **INCOME TAX PHASE OUT** (BECK P, ADAMS J) To phase out the income tax and income tax expenditures over ten years.  
*Current Status:* 11/6/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_639](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_639)
- HB650**      **PROPERTY TAX ROLLBACK RESTORATION** (GERBERRY R) To revise the law governing classroom facilities assistance programs and to restore the application of the 10% and 2.5% property tax rollbacks to school district tax levies approved on or after the effective date of Am. Sub. H.B. 59 of the 130th General Assembly.  
*Current Status:* 10/28/2014 - Introduced  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_650](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_650)
- HB655**      **JOB RETENTION TAX CREDIT REQUIREMENT REDUCTION** (BECK P, ADAMS J) To reduce the job retention and capital investment requirements of the Job Retention Tax Credit for businesses in targeted areas or industries, to require that a Job Creation or Retention Tax Credit awarded to such a business equal 100% of its new or retained income tax withholding, and to modify the credits' annual report requirement to provide that employers must submit reports only if required by the Director of Development Services.  
*Current Status:* 11/12/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_655](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_655)
- HB664**      **STUDENT LOAN-INCOME TAX CREDIT** (SCHURING K) To establish the Workforce Grant Program, to authorize an income tax credit equal to 25% of the student loan payments a grant recipient makes per year, and to make an appropriation.  
*Current Status:* 11/18/2014 - Referred to Committee House Finance and Appropriations  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_664](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_664)
- HB666**      **ARTIST INCOME TAX DEDUCTION** (STINZIANO M) To authorize an income tax deduction for income derived from the sale of art created or composed by Ohio artists and performances of that art sold or performed in designated arts and entertainment districts.  
*Current Status:* 11/18/2014 - Referred to Committee House Ways and Means  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_666](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_666)
- HB669**      **UNIVERSITY-BUSINESS TAX-FREE AREAS** (STINZIANO M) To establish the Startup Ohio initiative in which universities and partnering business may collaborate in tax-free areas near campuses in this state to create jobs, attract entrepreneurs, and spur academic enrichment and to direct the Director of Budget and Management to transfer \$100 million to the Ohio Venture Capital Program Fund.  
*Current Status:* 11/18/2014 - Introduced  
*State Bill Page:* [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_669](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_669)
- HB671**      **TAX-CREDIT ANALYSIS** (SCHURING K) To require the Department of Taxation to conduct a one-time cost-benefit analysis of all existing tax credits, to appropriate \$200,000

for that purpose, and to require that, before a new tax credit may be enacted, the Department must conduct a cost-benefit analysis of the proposed credit.

**Current Status:** 11/18/2014 - Introduced

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_HB\\_671](http://www.legislature.state.oh.us/bills.cfm?ID=130_HB_671)

- HCR6 FEDERAL EXCISE TAX-MEDICAL DEVICES (BRENNER A, HUFFMAN M)** To urge the Congress of the United States and the President of the United States to repeal the new federal excise tax on medical devices.  
**Current Status:** 4/30/2013 - Referred to Committee Senate Medicaid, Health and Human Services  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_HCR\\_6](http://www.legislature.state.oh.us/res.cfm?ID=130_HCR_6)
- SB27 PROPERTY TAX EXEMPTION-MILITARY VETERANS (SCHAFFER T)** To exempt from property taxation the primary residences of military veterans who are 100% disabled from a service-connected disability.  
**Current Status:** 2/27/2013 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_27](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_27)
- SB28 INTERNAL REVENUE CODE (OBHOF L)** To expressly incorporate changes in the Internal Revenue Code since December 20, 2012, into Ohio law, and to declare an emergency.  
**Current Status:** 3/22/2013 - **SIGNED BY GOVERNOR**; Eff. 3/22/2013  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_28](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_28)
- SB29 INCOME TAX REFUND-JUDGMENT DEBTOR TENANT (SCHAFFER T)** To enable a judgment creditor landlord to obtain a court order directing the Tax Commissioner to pay the judgment debtor tenant's income tax refund to the landlord.  
**Current Status:** 2/27/2013 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_29](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_29)
- SB30 AMERICAN RED CROSS CONTRIBUTIONS (SCHAFFER T)** To allow taxpayers to make contributions to the American Red Cross Ohio Disaster Response Readiness and preparedness Fund through their income tax returns.  
**Current Status:** 2/27/2013 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_30](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_30)
- SB31 INCOME TAX CREDIT-TEACHERS (SCHAFFER T)** To allow a credit against the personal income tax for amounts spent by teachers for instructional materials.  
**Current Status:** 2/27/2013 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_31](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_31)
- SB42 PROPERTY TAXES-SCHOOL SECURITY (MANNING G, GARDNER R)** To authorize school districts to levy a property tax exclusively for school safety and security purposes.  
**Current Status:** 12/4/2014 - House Ways and Means, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_42](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_42)
- SB52 PROPERTY TAX COMPLAINTS (COLEY W)** To permit property tax complaints to be initiated only by the property owner.  
**Current Status:** 6/18/2013 - Senate Ways and Means, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_52](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_52)
- SB56 INCOME TAX REFUNDS (KEARNEY E)** To require the Department of Taxation to provide



taxpayers the option of receiving their income tax refund in the form of a prepaid debit card.

**Current Status:** 3/5/2013 - Senate Ways and Means, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_56](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_56)

**SB76**

**NONPROFIT CORPORATION CORRECTIONAL FACILITY TAX EXEMPTION**

(SCHIAVONI J) To specify that a nonprofit corporation, the principal purpose of which is operating a halfway house, community-based correctional facility, or other venue offering rehabilitative residential programming to criminal offenders is presumed to be a charitable institution exempt from property taxation.

**Current Status:** 6/18/2013 - Senate Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_76](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_76)

**SB85**

**TAX EXEMPTION-INVESTMENT METAL BULLION-COINS (JORDAN K, BEAGLE B)**

To exempt from sales and use taxes the sale or use of investment metal bullion and coins.

**Current Status:** 4/16/2013 - Senate Ways and Means, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_85](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_85)

**SB89**

**EARNED INCOME TAX CREDIT (SKINDELL M)** To grant a state earned income tax credit equal to a percentage of the federal earned income tax credit.

**Current Status:** 6/11/2013 - Senate Ways and Means, (First Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_89](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_89)

**SB108**

**INCOME TAX (JONES S)** To repeal the income tax deduction for wagering losses, to increase the income tax credit for the legal adoption of a child to \$10,000 for each child, and to increase the maximum income tax deduction for college savings contributions to \$10,000 annually for each beneficiary.

**Current Status:** 4/30/2013 - Senate Ways and Means, (Second Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_108](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_108)

**SB120**

**TECHNOLOGY INVESTMENT TAX CREDIT PROGRAM (KEARNEY E)** To increase the total amount of credits that may be awarded under the Technology Investment Tax Credit Program from \$45 to \$145 million.

**Current Status:** 5/8/2013 - Referred to Committee Senate Finance

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_120](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_120)

**SB149**

**CONTRIBUTIONS-ECONOMIC DEVELOPMENT PROJECTS (BEAGLE B)** To authorize tax credits for contributions of money to economic and infrastructure development projects undertaken by local governments and nonprofit corporations.

**Current Status:** 11/19/2013 - Senate Ways and Means, (Third Hearing)

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_149](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_149)

**SB159**

**PROPERTY TAX ROLLBACK EXEMPTIONS (SCHIAVONI J)** To extend the 10% and 2.5% partial property tax "rollback" exemptions to new and replacement levies approved at the 2013 general election and to declare an emergency.

**Current Status:** 9/26/2013 - Referred to Committee Senate Ways and Means

**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_159](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_159)

**SB203**

**INCOME TAX CREDIT-NONPROFITS (SCHAFFER T, TAVARES C)** To authorize an income tax credit for individuals that earn a nonprofit management degree or certain professional designations and to allow a sales tax exemption for out-of-state nonprofit corporations that relocate jobs to Ohio.

**Current Status:** 11/19/2013 - Senate Ways and Means, (First Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_203](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_203)

- SB210**      **INCOME TAX RATE REDUCTION (WIDENER C)** To provide for a permanent income tax rate reduction of 4% for all tax brackets beginning in 2014.  
**Current Status:** 2/25/2014 - Senate Finance, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_210](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_210)
- SB211**      **INCOME TAX CREDIT (SCHAFFER T, PETERSON B)** To authorize an income tax credit for donations to the permanent endowment fund of an eligible community foundation.  
**Current Status:** 11/19/2013 - Senate Ways and Means, (Third Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_211](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_211)
- SB243**      **SALES TAX HOLIDAY (BACON K)** To provide a three-day sales tax "holiday" each August during which sales of back-to-school clothing, school supplies, personal computers, and personal computer accessories are exempt from sales and use taxes.  
**Current Status:** 12/2/2014 - House Finance and Appropriations, (Fourth Hearing)  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_243](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_243)
- SB282**      **MUNICIPAL CORPORATIONS-INCOME TAX (JORDAN K)** To prohibit municipal corporations from levying an income tax on nonresidents' compensation for personal services or net profits from a sole proprietorship.  
**Current Status:** 2/19/2014 - Referred to Committee Senate Ways and Means  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_282](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_282)
- SB323**      **MOTOR FUEL RECEIPTS TAX (HITE C, SEITZ B)** To change the motor fuel receipts tax to be imposed on gross receipts to a petroleum activity tax to be imposed on a hybrid of gallonage and the average wholesale price of gasoline and diesel fuel.  
**Current Status:** 4/8/2014 - Referred to Committee Senate Ways and Means  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_323](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_323)
- SB376**      **PROPERTY TAX ROLLBACK RESTORATION (SCHIAVONI J)** To revise the law governing classroom facilities assistance programs and to restore the application of the 10% and 2.5% property tax rollbacks to school district tax levies approved on or after the effective date of Am. Sub. H.B 59 of the 130th General Assembly.  
**Current Status:** 11/12/2014 - Referred to Committee Senate Ways and Means  
**State Bill Page:** [http://www.legislature.state.oh.us/bills.cfm?ID=130\\_SB\\_376](http://www.legislature.state.oh.us/bills.cfm?ID=130_SB_376)
- SCR1**        **FEDERAL EXCISE TAX-MEDICAL DEVICES (JORDAN K)** To urge the Congress of the United States and the President of the United States to repeal the new federal excise tax on medical devices.  
**Current Status:** 2/13/2013 - Referred to Committee Senate Medicaid, Health and Human Services  
**State Bill Page:** [http://www.legislature.state.oh.us/res.cfm?ID=130\\_SCR\\_1](http://www.legislature.state.oh.us/res.cfm?ID=130_SCR_1)





# Municipal Tax Reform Legislation (Sub. H.B. 5)

## Why Ohio Needs Reform

- Ohio has the most complicated local income tax system in the U.S.
- Ohio is one of only 10 states that tax both individuals and businesses.
- Ohio is the only state where each city/village makes its own rules and regulations – businesses must keep track of and comply with as many as 600 different sets of tax ordinances.
- It's particularly burdensome for businesses whose employees work/travel in multiple cities.
- The high cost of complying hinders economic growth.
- Compliance often costs businesses more than they owe in tax.
- International site selectors say Ohio's municipal tax system is the second highest negative factor (the first being the labor environment) when it comes to attracting new employers.

## Key Provisions in Bill

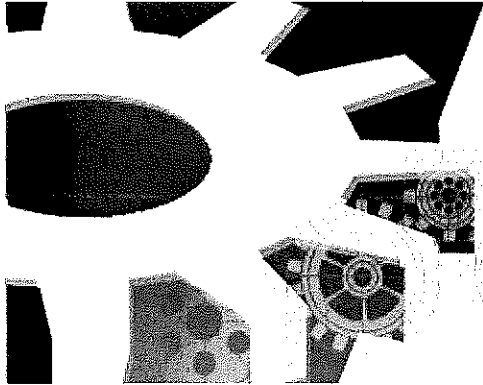
- Extends occasional entry rule (requiring companies to withhold for employees not working in principal place of business city) from 12 days to 20 days.
- Defines a "day" for occasional entry purposes to where the employee spends "preponderance of work day." Currently an Ohio worker (i.e. a plumber) can owe tax to every city he visits in a single 8-hour workday, even if he's only there for 10 minutes.
- Creates uniform net operating loss (NOL) carry-forward period of 5 years (currently ranges from zero to 10 years). Currently two thirds of Ohio cities have an NOL, most with 5 years. Phases it in over six years to limit impact on cities.
- Creates uniform treatment of filing requirements – extensions, penalties, due dates, etc.
- Creates consistent taxation of pass-through entities (PTEs) at the entity level. Owners also are taxed by their resident city. Currently, cities are divided as to if and how they tax PTEs and owners.
- Defines "resident" with a uniform set of facts and circumstances for municipal tax purposes.

## Benefits of Municipal Tax Reform

- This legislation will help achieve the goals of any good tax policy: **making Ohio's municipal income tax system simpler, fairer and more predictable.**
- **Businesses will reduce their municipal tax compliance costs.** This frees up capital and time to reinvest and grow their companies.
- The bill establishes one set of municipal tax rules and regulations that apply to nearly all Ohio cities that impose business and individual income taxes.
- The bill will **minimize the administrative hassles** many Ohio businesses are subjected to by cities with conflicting notice rules, administrative appeal procedures and tax forms/documentation requirements.
- **Makes Ohio more competitive** for new investment and jobs – Ohio will no longer stand out as the worst state in the nation in terms of the difficulty of complying with municipal tax requirements.

## Municipal Tax Reform Coalition

Ohio Society of CPAs  
Ohio Chamber of Commerce  
NFIB-Ohio  
Associated Builders and Contractors of Ohio  
Associated General Contractors of Ohio  
Central Ohio NECA  
The Cincinnati USA Regional Chamber  
Columbus Chamber of Commerce  
Council of Smaller Enterprises (COSE)  
Dayton Area Chamber of Commerce  
Greater Cleveland NECA  
Greater Ohio Policy Center  
North Central Ohio NECA  
Ohio Association of Realtors  
Ohio Automobile Dealers Association  
Ohio Cable Telecommunications Association  
Ohio Contractors Association  
Ohio Council of Retail Merchants  
Ohio Grocers Association  
Ohio Home Builders Association  
Ohio Insurance Institute  
Ohio Manufacturers' Association  
Ohio Newspaper Association  
Ohio Nursery & Landscape Association  
Ohio Oil & Gas Association  
Ohio Pharmacists Association  
Ohio Produce Growers & Marketers Association  
Ohio Restaurant Association  
Ohio State Bar Association  
Ohio State Medical Association  
Ohio Trucking Association  
Professional Independent Agents Association of Ohio (PIAA)  
Toledo Regional Chamber of Commerce



## Manufacturing Advocacy Center

*Protect and grow Ohio manufacturing*

Dear [RECIPIENT.first\_name]:

Municipal Tax Reform legislation, Sub. House Bill 5, was voted out of the House and is due for a vote by the Senate *as early as the first week in December*. This is an important and common sense measure for Ohio.

### PROBLEM:

- Ohio has the most complicated local income tax system in the U.S.
- Ohio is one of only 10 states that taxes both individuals and businesses.
- Ohio is the only state where each city/village makes its own rules and regulations; businesses must keep track of and comply with as many as 600 different sets of tax ordinances.

Sub. House Bill 5 corrects many of the deficiencies of the current system and makes Ohio's municipal income tax system simpler, fairer and more predictable.

Here is a one-page recap.

You can help push this good legislation to the finish line by clicking the link below and using the easy email tool at OMA's **Manufacturing Advocacy Center** to send a note to your state senator.

There are opportunities for manufacturers to testify in support of this bill. If you're willing to share your company's story, please contact me. It is important for lawmakers to hear directly from the business community.

Please let me know if you have any questions.

**Rob Brundrett**  
Director, Public Policy Services  
The Ohio Manufacturers' Association  
(800) 662-4463  
(614) 629-6814  
rbrundrett@ohiomfg.com

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**BEFORE THE WAYS AND MEANS COMMITTEE  
OF THE OHIO SENATE**

**SENATOR BOB PETERSON, CHAIRMAN**

**TESTIMONY  
OF  
MARK ENGEL  
BRICKER & ECKLER LLP  
OMA TAX COUNSEL**

**NOVEMBER 19, 2014**

Mr. Chairman, and members of the committee, good afternoon. My name is Mark Engel. I am a partner with Bricker & Eckler LLP and tax counsel to The Ohio Manufacturers' Association (OMA). The OMA is here today to testify in support of House Bill 5, a bill to streamline and modernize Ohio's antiquated municipal income tax system.

For the past several years, administration after administration has attempted to make Ohio more business-friendly. Several steps have been taken to make that happen. Those efforts include tax reform in 2005; tort reform in 2004; repeal of the estate tax; and recent reforms at the Board of Tax Appeals. However, despite efforts to improve it, in study after study and report after report, one feature continues to receive criticism for its negative impact on the business climate in Ohio: The Municipal Income Tax.

According to a publication of the Ohio Department of Taxation, *Ohio Taxes: A Brief Summary of Major State and Local Taxes in Ohio*,<sup>1</sup> in 2009, the latest year for which figures were available, 577 municipal corporations (236 cities, 341 villages) in Ohio imposed a tax on income. The tax rates varied from 0.4% to 3.0%. Together, almost \$4 billion in revenue was raised.

While the amount of revenue is significant, it isn't just the amount that garners criticism. It is the myriad of rules that vary from jurisdiction to jurisdiction that creates problems.

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<sup>1</sup> As of November 14, 2014, this report may be found at [http://www.tax.ohio.gov/portals/0/communications/publications/brief\\_summaries/new%20internet%20feb\\_7\\_2012/municipal\\_income\\_tax\\_2\\_8.pdf](http://www.tax.ohio.gov/portals/0/communications/publications/brief_summaries/new%20internet%20feb_7_2012/municipal_income_tax_2_8.pdf)

Different rules regarding issues such as payment dates and extensions, statutes of limitations, the treatment of pass-through entities and their owners, and net operating losses, render compliance difficult, uncertain, and as a result, frustrating and time-consuming.

To be competitive, a tax system needs to be transparent and simple. The existing municipal income tax provisions in Ohio are anything but. H.B. 5 isn't perfect, but it goes a long ways towards improving the situation from the perspective of business in Ohio. Its passage will simplify compliance among manufacturers and businesses in general. It will allow them to devote limited resources to growing their businesses. That will improve the situation for everybody in Ohio, the municipal jurisdictions as well as the taxpayers.

H.B. 5 addresses many of the current myriad of municipal income tax requirements. However, there are three advantages of HB 5 in particular that we highlight for your consideration.

First, a consistent rule regarding some consideration of net operating loss carryforwards is imperative. NOLs occur because our tax system is based on economic performance during a defined period. When income is earned, no matter how much, a tax is incurred. When a taxpayer operates at a loss, however, its tax bill is merely reduced to \$0. It does not get money back. Recognition of some level of net operating loss carryforward better reflects the operations of a business over time. Without this

provision, business is faced with a “heads you win, tails I lose” proposition. This is a clear impediment to business in Ohio.

Second, uniformity on filing dates, estimated payment dates, statutes of limitations, penalties and interest, and a myriad of other compliance issues is important. As noted earlier, almost 600 different municipal taxing jurisdictions exist in Ohio. Trying to keep track of the differences between them is a tremendous drain of time and resources. Having single rules as to these items would go a long way towards making the system less onerous and compliance easier.

Finally, the occasional entrant rules need to be addressed. Employees may be in multiple jurisdictions, however, briefly, during the course of a day. Under current law, potential liability exists in every jurisdiction. Clarifying the rules, and providing a small business exception, would go a long way towards simplifying this issue.

Business recognizes that it receives a number of benefits from government services, and that it has to pay for those services. However, it should not do so at the expense of being competitive, or even being able to survive. H.B. 5 offers a number of improvements over the existing patch-work of municipal income tax provisions, bringing clarity and easier compliance to the table. These changes will help render Ohio more competitive with other states, most of which have no local income taxes to worry about.

We urge your passage of H.B. 5.



## Commercial Activity Tax Impact

The Commercial Activity Tax (CAT), which took effect on July 1, 2005, is an annual tax imposed on the privilege of doing business in Ohio and is measured by gross receipts from business activities in the state. The CAT applies to business entities with taxable gross receipts of more than \$150,000 per calendar year, and is levied on a tiered basis:

<u>Taxable Gross Receipts</u>	<u>CAT</u>
\$150,000 - \$1 million	\$150 minimum tax
\$1 million - \$2 million	\$800 plus 0.26% of gross receipts greater than \$1 million
\$2 million - \$4 million	\$2,100 plus 0.26% of gross receipts greater than \$1 million
\$4 million or more	\$2,600 plus 0.26% of gross receipts greater than \$1 million

### Impact on Manufacturers

According to Ohio Department of Taxation *Fiscal Year 2013 Commercial Activity Tax Returns* data, manufacturers are the second-largest group of CAT taxpayers, representing **9.8%** of all taxpayers (retail trade is the largest). And yet . . .

- In terms of **CAT revenues** based only on the 0.26% CAT rate for gross receipts in excess of \$1 million, **manufacturers pay 28.1% of the state's total** – far more than any other group. If the CAT rate is increased from 0.26% to 0.30%, as proposed by the governor in his 2014 mid-biennium review, manufacturers as a group will be required to pay roughly **\$69,430,000 in additional CAT payments per year, which represents a 14.7% tax increase**. That would be in addition to the increase in the minimum tax that was enacted as part of the 2014-2015 state budget bill.
- In terms of **total CAT revenues** paid, including the minimum tax, manufacturers still pay the most as a group – **27.8% of all CAT before credits** and **26.2% of all CAT after credits** – generally one-third more than the next largest taxpayer group (retail trade).

*See next page for the financial impact of CAT exclusions, deductions and credits.*



## **Foregone Revenue from CAT Exclusions, Deductions and Credits**

Below are estimates of revenue foregone in FY 2015 by the state General Revenue Fund from various CAT exclusions, deductions and credits.<sup>1</sup> Dollar amounts are millions.

Exclusion of first \$1 million of taxable gross receipts	\$136.6 <sup>2</sup>
Qualified distribution center receipts exclusion	\$89.7
Job creation credit	\$40.7
State and federal fuel excise tax exclusion	\$32.2
Job retention tax credit	\$13.2
Credit for increased qualified research and development expenses	\$11.1
Agricultural receipts	\$11.0 <sup>3</sup>
Casino receipts in excess of "gross casino revenue"	>\$10.0 <sup>4</sup>
Exclusion for exchanges of petroleum not involving monetary compensation	\$8.5
State and federal cigarette tax exclusion	\$6.6
Credit for net operating loss carry forwards and other deferred tax assets	\$5.5
Professional employer organization exclusion	\$2.7
State and federal alcoholic beverage excise tax exclusion	\$2.0
Motor vehicle transfer exclusion	\$1.9
Exclusion of real estate brokerage gross receipts not retained	\$1.5
Research and development loan program credit	<\$1.0 <sup>5</sup>
Exemption for pre-1972 trusts	<\$1.0
Anti-neoplastic drug exclusion	<\$1.0
Horse racing taxes and purse exclusion	<\$1.0
Receipts from sale of uranium from qualifying uranium enrichment zone	<\$1.0
Exclusion of certain services to financial institutions	<\$1.0
Providing public services exclusion	No Estimate Available
Petroleum receipts <sup>6</sup>	No Estimate Available
Motion picture credit	No Estimate Available
<b>Estimated Total Foregone Revenues</b>	<b>More than \$373.2 million</b>

NOTE: Actual total foregone revenues will be higher than estimated total foregone revenues, which reflect indefinite revenues for casino receipts and undetermined revenues for the public services exclusion, petroleum receipts and motion picture credit.

<sup>1</sup> Unless otherwise noted, the source for the data listed above is the Ohio Department of Taxation Tax Expenditure Report (Fiscal Years 2014-2015).

<sup>2</sup> Ohio Legislative Service Commission

<sup>3</sup> Ohio Legislative Service Commission

<sup>4</sup> Ohio Legislative Service Commission estimates foregone revenue from casino receipts in excess of "gross casino revenue" will be "tens of millions of dollars."

<sup>5</sup> The Ohio Department of Taxation Tax Expenditure Report provides only general "less than \$1 million" estimates for six items in this list (rather than precise estimates as provided for the other items). For this reason, we have chosen not to include any foregone revenue for the six items with estimated foregone revenues of less than \$1 million each.

<sup>6</sup> Motor vehicle fuel dealers pay a one-time tax of 0.65% on their sales of petroleum products.