

LEGISLATIVE REVIEW
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130th GENERAL ASSEMBLY ADJOURNS—NEXT ONE TO BEGIN JANUARY 1, 2015

The end of each two year session is the not so celebrated lame duck session. The term relates to the fact that the election is over and those still in office through the remainder of the year have been elected or are not coming back: a recipe for tomfoolery. This lame duck proved no different than others as dozens of bills passed which would not have fared so well the preceding 23 months of the session. Nonetheless, lame duck sessions are part of the culture here and we can assure you another will take place in December of 2016.

The current session and all pending business vanish on Dec 30. A new session with new members and leadership begins January 1, 2015.

OUPS CALL BEFORE YOU DIG LAW WILL REQUIRE REGISTRATION AND FEES

SB 378, passed over OHBA's objections, sets up an enforcement mechanism for the Call Before You Dig law in Ohio. A date of January 1, 2016 was included in the bill to begin enforcement of the provisions, which includes registration and fee requirements for a broad class to include builders, developers, excavators, designers and utilities who participate in the one call system. Given the definitions used, there is a very good chance, in the next year, the PUCO will be sending you notice of compliance with the new registration and fee requirements. The PUCO still has to adopt rules working out many details surrounding the enforcement program and how registration will be completed, but it is likely to adopt a \$50 annual fee set forth in the bill. OHBA will be following how the PUCO rules play out in the coming months leading up to the Jan. 1, 2016 effective date for enforcement.

SUBSTITUTE HB 140 PASSED OUT OF COMMITTEE AND IS LIKELY STARTING POINT NEXT YEAR

On of the last day of the 130th General Assembly, Chairman Young voted the substitute version of HB 140 out of House Commerce and Labor Committee. The Committee passed out the bill with a vote of 6-2. The sponsor made clear his plans to reintroduce something similar come early next year. The substitute bill and summary document are attached and will likely serve as the starting point for discussions in the 131st GA.

HB 5 MUNICIPAL INCOME TAX REFORM TO BECOME LAW

One of the bills to become law following the lame duck session included Municipal Income Tax Reform legislation. After a long battle between stakeholder

industries and the Municipalities, HB5 will set up a number of statewide standards that local governments would have to follow, including that:

- Businesses with an annual income of \$500,000 or less would be charged municipal income tax only in the area where they're located.
- Workers on a job in a different city wouldn't have to start paying income tax in that municipality during their first 20 days there. Under current law, the threshold is 12 days, after which employees are charged for every day they did work in the city.
- Under a phase-in plan starting in 2016, companies would also be able to carry forward net operating losses for five years to offset taxes on future profits — a policy that most Northeast Ohio municipalities already have but is less common elsewhere in the state. The bill would also allow individual taxpayers to carry forward net operating losses.
- Local governments would no longer be able to tax supplemental retirement benefits given to company executives.

***ANNEXATION AND UTILITY SUB METERING LEGISLATION FAILED TO PASS BUT
LIKELY TO COME BACK NEXT SESSION***

Two issues OHBA followed until the very end included changes to the Type II Annexation process and the utility sub metering process. Although, both ultimately died in the lame duck session, it is very likely we will see them back again next year.

Please feel free to contact OHBA with any questions or comments.