

OLC
HB 49 - State Budget Analysis

Public Library Fund

Sections: 387.10,
387.20

Description: Requires the Director of Budget and Management to credit 1.68% of the total tax revenue collected to the General Revenue Fund during the preceding month to the Public Library Fund (Fund 7065) in each month during FY 2018 and FY 2019, instead of 1.66% as specified under division (B) of section 131.51 of the Revised Code.

The Legislative Service Commission (LSC) estimates that this increases total GRF tax revenue that will be deposited into the PLF by \$4.5 million in FY 2018 and \$4.6 million in FY 2019.

Ohio Public Library Information Network (OPLIN)

Section: 325.20

Description: Requires that OPLIN technology funds be used for an information telecommunications network linking public libraries in the state.

Permits the OPLIN Board of Trustees to make decisions regarding the use of the appropriation.

Requires the OPLIN Board to research and assist local libraries with regard to emerging technologies and methods of controlling access to obscene and illegal materials. Requires the OPLIN director to provide written reports upon request.

Requires OPLIN, INFOhio, and OhioLINK to coordinate their purchases of electronic databases.

Requires the OBM Director to transfer \$3,689,788 cash in each FY from the PLF to the OPLIN Technology Fund.

Library for the Blind

Section: 325.20

Description: Requires that appropriations to the Library for the Blind Fund be used for the statewide Talking Book Program.

Requires the OBM Director to transfer \$1,274,194 cash in each FY from the PLF to the Library for the Blind Fund.

State Library Board

Section: 325.10

Description: Appropriates \$4,500,000 in each FY for the Operating Expenses of the State Library Board. LSC estimates this is a 13.57% reduction in FY 2018.

Appropriates \$295,114 in FY 2018 and \$300,114 in FY 2019 for the Ohioana Library Association. LSC estimates this is a 145.69% increase in FY 2018 and a 1.69% increase in FY 2019; however, this also includes the rental payments.

Appropriates \$500,000 in each FY for the Regional Library Systems. LSC estimates this is a 14.16% reduction in FY 2018.

Appropriates \$4,190,834 in each FY for Services for Libraries. LSC estimates this is a 6.01% increase in FY 2018.

Appropriates \$8,000 in each FY for Services for State Agencies.

Ohioana Library Association

Section: 325.20

Description: Changes the name of the GRF appropriation line-item from Ohioana Rental Payments to Ohioana Library Association.

Earmarks \$175,000 in FY 2018 and \$180,000 in FY 2019 from the GRF Ohioana Library Association line-item to support the operating expenses of Ohioana.

Education Technology Resources - INFOhio

Section: 265.140

Description: Earmarks up to \$2,500,000 in each FY to the Education Technology Resources appropriation line item for the Union Catalog and INFOhio Network.

OhioMeansJobs Center and Public Library Collaboration

Section: 6301.06

Description: Requires OhioMeansJobs center operators, not later than September 1, 2018, and every two years thereafter, to enter into a memorandum of understanding with one or more public libraries to facilitate collaboration and coordination of workforce programs and education and job training resources.

"Continuous Learning Center" Brand for Public Libraries

Section: 763.10

Description: Permits the Governor's Office of Workforce Transformation (OWT), in conjunction with the Ohio Library Council, to develop a brand for public libraries as "continuous learning centers" that serve as hubs for information about local in-demand jobs and relevant education and job training resources.

Requires the State Library to strengthen the Ohio Digital Library's online education resources to provide more accessible job training materials to adult learners.

Workforce Innovation and Opportunity Act

Sections: 6301.01,
6301.02-6301.09,
6301.11-6301.12,

Description: Replaces references to the federal Workforce Investment Act of 1998 with references to the current federal Workforce Innovation and Opportunity Act (WIOA) and updates the Revised Code to reflect the change in federal law.

6301.18,
5101.20-5101.201,
5101.214, 5101.23,
5101.241, 107.35,
131.33, 307.984,
329.04, 329.06,
763.01, 763.07,
3121.03, 3304.171,
3309.23, 3313.89,
3333.91, 3333.92,
4141.29, 4141.43,
4141.51, 5101.09,
5108.01, 5123.60,
5166.40, 5166.408
and 5903.11

Changes the membership of the Governor's Executive Workforce Board and modifies that Board's duties with respect to Ohio's workforce development system.

Modifies the requirements for written grant agreements for the allocation of funds under WIOA and requires the ODJFS Director to award grants only through these agreements.

Requires every local area (a specified region for workforce development purposes) to ensure the availability of a physical one-stop location called "OhioMeansJobs center" in the local area for the provision of workforce development activities under WIOA.

Changes the requirements for continuing law local workforce development plans, specifies that those plans must be four-year plans (as required under WIOA), and requires regional plans (required under WIOA).

Eliminates current state law requirements for the membership and responsibilities of local boards for workforce development and instead requires that the boards carry out the functions described in and meet the membership requirements of WIOA.

Requires the Governor, on determining that there has been a substantial violation of a provision of WIOA, to take action to revoke approval of all or part of a local workforce development plan or to impose a reorganization plan for local workforce development activities.

Requires the chief elected official or officials of a local area to monitor all private and government entities that receive funds allocated under a grant agreement to ensure that the funds are used in accordance with applicable state laws, policies, and guidance.

Adult Basic and Literacy Education

Section: 381.90

Description: Requires that the GRF Adult Basic and Literacy Education appropriation line-item be used to support the adult basic and literacy education (ABLE) instructional grant program and state leadership program. Requires supported programs to satisfy the state match requirements for the grant program.

Property Tax Reimbursement – Local Government

Section: 387.20

Description: Specifies that the GRF appropriation line-item for the Property Tax Reimbursement - Local Government Fund be used to pay for the state's costs incurred for local governments because of the homestead exemption, the manufactured home property tax rollback, and the property tax rollback. Appropriates any additional amount needed to fully fund these costs.

County Treasurer Tax Collection Fees

Section: 321.26

Description: Increases the fee amounts that can be collected by county treasurers. Revises the schedule for the fees that are exacted from taxes collected by county treasurers by increasing the fee amounts, by establishing a minimum fee when collections are less than \$5 million per semiannual settlement, by reducing the number of fee brackets, and by causing the fees to be adjusted upward if and as statewide taxes charged on real property and public utility property increase.

Specifies that under the revised schedule there would be two fee brackets beginning in 2018: (1) 0.9495% on collections up to \$5 million and (2) 0.1996% on collections in excess of \$5 million. (The first \$5 million would generate \$47,475 in fees, and this amount would be set as the minimum initial fee when collections are less than \$5 million.)

Currently there are four brackets: (1) 0.29947% on collections up to \$100,000, (2) 0.9982% on \$100,000 to \$2.1 million, (3) 0.7986% on \$2.1 million to \$4.1 million, and (4) 0.1996% on collections in excess of \$4.1 million; the first \$5 million would generate \$38,032 in fees.)

Increases the \$5 million threshold annually after 2018 by the same percentage (to the nearest 0.1%) by which total statewide real and public utility property taxes charged increase. (Currently, there is no adjustment for increases in taxes charged.)

Increases county treasurers' revenues related to property tax collections. County treasurers' fees are subtracted from the tax distributions to local taxing units and credited to the county general fund. Thus, revenue to local taxing units would be reduced; total losses to all local taxing units would equal gains to county treasurers.

Investment of Inactive Moneys by Counties

Section: 135.35

Description: Increases the percentage of a county's inactive moneys and money in the public library fund that may be invested in certain commercial paper notes and bankers acceptances, from 25% to 40% of a county's total average portfolio. Limits investments in certain commercial paper notes of a single issuer to 5%, in the aggregate, of interim moneys available for investment at the time of purchase.

Transfer of Taxing Authority Funds

Section: 5705.16

Description: Removes the requirement that a taxing authority petition and receive approval from a court of common pleas before transferring revenue between certain subdivision funds, but maintains the requirement that the taxing authority receive approval of the Tax Commissioner to approve a transfer upon finding the transfer is justified or necessary and that no injury will result.

Contents of Property Tax Resolutions

Section: 5705.03

Description: Requires property tax resolutions to include the following additional information: (1) Whether the tax is a renewal or a replacement of an existing tax

with an increase or decrease (currently, the resolution must state whether the tax is a new levy or the renewal or replacement of an existing levy); (2) The term of the tax; (3) The subdivision's territory in which the tax will be voted upon and levied; (4) The date of the election; (5) The first tax year to which the tax will apply; (6) Each county in which the subdivision has territory.

Changes in Current Agricultural Use Valuation (CAUV) Calculations

Sections: 5715.01,
5713.31, 5713.34

Description: Prescribes in statute, factors that must be considered in computing the current agricultural use value (CAUV) of agricultural land for property tax purposes.

Requires the formula used to compute CAUV values to employ a capitalization rate and requires (1) the equity yield rate in the capitalization rate formula to equal the greater of the 25-year average of the total rate of return on farm equity published by the United States Department of Agriculture or another published source, or the loan interest rate; and (2) a holding period of 25 years for calculating equity build-up and land value appreciation in the formula. (The capitalization rate is used to calculate a valuation from an annual profit for an average Ohio farm, considering only agricultural factors.)

Places a ceiling on the taxable value of CAUV land used for conservation purposes by requiring the land to be valued as though it included the least productive type of soil.

Phases in the amendment's changes over two reassessment or update cycles. Specifies that during the first three-year cycle in each county (beginning with tax year 2017), the tax value of CAUV land will include one-half of the difference between its value under the new versus the old formula.

Comparable factors are already in the current CAUV formula prescribed by administrative rules adopted by the State Tax Commissioner. The required changes to the formula would reduce tax revenues to schools by an estimated \$4 million in tax year 2017, payable in 2018, and would reduce tax revenues to other units of local government by a similar amount. Revenue losses would increase each year until tax year 2022 when they would total an estimated \$14 million to each of schools and other local governments. GRF reimbursements of property tax rollbacks and the homestead exemption would increase to an estimated \$1 million, as effective tax rates on residential real property subject to tax reduction factors would increase because of lower tax values on CAUV land.

Number of Income Tax Brackets

Section: 5747.02

Description: Eliminates the bottom two income tax brackets (\$0-\$5,000 and \$5,000-\$10,000). Specifies that taxpayers with Ohio adjusted gross income less exemptions and less taxable business income of \$10,500 or less will owe no tax. Requires the Tax Commissioner to annually adjust this value for inflation.

LSC estimates this will result in revenue loss of approximately \$3 million per year to the GRF, depending on the count of tax returns with income between \$10,000 and \$10,500. Taxpayers within this narrow income band would save \$78 per return in TY 2017 and \$77 per return in TY 2018.

Sales Tax Holiday

Section: 757.120

Description: Provides a three-day sales tax “holiday” in August 2018 during which sales of clothing, school supplies, and instructional materials within certain price ranges are exempt from sales and use taxes.

Storage of Firearm in Privately Owned Motor Vehicle

Section: 2923.1210

Description: Creates a civil cause of action against a business entity, property owner, or employer who establishes, maintains, or enforces a policy that prohibits a valid concealed handgun licensee from transporting or storing a firearm or ammunition in the person's privately owned motor vehicle in accordance with existing law conditions.

Limits the court to granting injunctive relief it finds appropriate.