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| **GOVERNMENTAL POLICY GROUP, INC.**17 SOUTH HIGH STREET – SUITE 245COLUMBUS, OHIO 43215-3413PHONE: 614-461-9335FAX: 614-461-9336Coalition of Ohio Regional Districts Legislative Activities Report**June 2017**  |

 The debate over Ohio’s two-year, $64 billion budget proposal (HB 49) is heating up as the Ohio Senate prepares to make its first round of changes to the bill. Senate Finance Subcommittees have concluded their hearings and issued their reports to the full Finance Committee. Senate Finance Committee Chairman Scott Oelslager has indicated that the full committee will hold hearings for public testimony on the bill until June 7th. He expects the Senate’s substitute bill to be ready by Monday, June 12th. The full Senate is expected to vote on the measure the week of June 21st.

 Prior to the Senate receiving HB 49, Governor Kasich and legislative leaders announced that revenue projections for the budget were off by $800 million. While the House attempted to cut into this deficit additional cuts or revenue enhancements will be needed to fill the hole. Senate President Larry Obhof said many in his chamber are concerned that the revenue projections might continue to slide and lawmakers will need to be prepared to act quickly in June to make adjustments to the bill.

 One provision we have been closely tracking in HB 49 is language that was developed in response to a 2015 Ohio Supreme Court decision, which found that TMDLs established by the Ohio EPA are subject to formal administrative rulemaking. This decision essentially invalidated thousands of TMDLs developed by the Ohio EPA. The Ohio EPA is seeking statutory approval in HB 49 that would allow TMDL studies approved by the U.S. EPA prior to the Court’s decision to remain exempt from the rulemaking requirement. The language would also exempt future TMDLs from rulemaking, but develops a more robust stakeholder outreach process.

In other news, legislation requiring public entities to consider all types of piping materials has attracted quite a bit of attention recently. Two bills, HB 121 and SB 95, have been introduced and have already received hearings in their respective chambers. Advocates suggest the legislation increases competition and saves the state money. Opponents have raised concerns about the bills, saying that they have the potential to delay projects and could lead to bid protests and litigation over pipe selection. Of the two bills, HB 121 has garnered the most attention. In its three hearings before the House State and Local Government Committee dozens of witnesses have testified both in support and against the bill.

Since the beginning of the 132nd General Assembly, we have been closely monitoring SB 2, an EPA reform measure designed to protect surface and drinking water. The legislation is a reintroduction of SB 333 from last session. SB 2 makes changes to the 401 Water Quality Certification by giving the EPA director more authority to issue, modify or deny a certification. The measure also requires water systems to implement an asset management program. “We have found that water systems without asset management programs have endured significant problems with extended periods of water use restrictions or no water at all due to issues such as deferred maintenance, lack of management oversight, and no historical records of water lines or maps of service areas,” Ohio EPA Director Craig Butler said in a statement. SB 2 was recently reported by the House Energy and Natural Resources Committee. The bill has largely avoided any controversy and it is expected to be passed by the House and sent to the governor before legislators break in July.

We have also been extremely involved in working with the Ohio EPA as they develop administrative rules that will have an impact on CORD members. The Ohio EPA has engaged stakeholders on two sets of rules. First, the Ohio EPA proposed changes to OAC 3745-7 that establish new requirements for contracted professional operators. A provision in this rule package would only allow individuals to count their experience in laboratory analysis, industrial wastewater treatment and onsite inspection work as 25% of the total operating experience required. CORD submitted comments to the Ohio EPA that highlighting our concerns surrounding this change and how it could create a barrier to entry into the industry. The second rule package CORD is monitoring contains the administrative requirements surrounding applications for 401 Water Quality Certifications and Isolated Wetland Permits. This rule package is just in the beginning stages of being developed and CORD will have a number of chances to provide comments.

Also of note, the House’s newest member was recently sworn into office. Rep. Tavia Galonski (D-Akron), a former Summit County Juvenile Court magistrate, replaces former Rep. Greta Johnson in the 35th House District. Johnson resigned to serve as Summit County deputy director of law. “We are excited to welcome Tavia into the caucus, and eager to work with her on some of the greatest challenges facing our state,” House Minority Leader Fred Strahorn said.

 We have been tracking the following legislation during the 132nd General Assembly:

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| **HB3** | **DATAOHIO BOARD CREATION** (DUFFEY M, HAGAN C) To create the DataOhio Board, to specify requirements for posting public records online, to require the Auditor of State to adopt rules regarding a uniform accounting system for public offices, to establish an online catalog of public data at data.Ohio.gov, to establish the Local Government Information Exchange Grant Program, and to make appropriations. |
|   | ***Current Status:*** | 2/8/2017 - Referred to Committee House Finance |
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| **HB26** | **TRANSPORTATION-PUBLIC SAFETY BUDGET** (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs. |
|   | ***Current Status:*** | 3/31/2017 - **SIGNED BY GOVERNOR**; Some provisions line-item vetoed, eff. 90 days |
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| **HB29** | **MUNICIPAL WATER RESERVOIR BUFFERS** (LELAND D, BOGGS K) To eliminate law authorizing the maintenance of buffers around municipal water reservoirs by contiguous property owners. |
|   | ***Current Status:*** | 4/25/2017 - House Energy and Natural Resources, (First Hearing) |
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| **HB31** | **CONTRACTING ADVISORY COUNCIL-ABOLITION** (CUPP B) To abolish the Government Contracting Advisory Council. |
|   | ***Current Status:*** | 3/15/2017 - Referred to Committee Senate Government Oversight and Reform |
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| **HB40** | **GOVERNMENT EXPENDITURE DATABASE** (DEVER J, GREENSPAN D) To require the Treasurer of State to establish the Ohio State Government Expenditure Database. |
|   | ***Current Status:*** | 2/28/2017 - House State and Local Government, (Third Hearing) |
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| **HB49** | **OPERATING BUDGET** (SMITH R) Creates FY 2018-2019 main operating budget. |
|   | ***Current Status:*** | 6/7/2017 - Senate Finance, (Tenth Hearing) |
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| **HB51** | **DEPARTMENT REVIEW SCHEDULE** (FABER K) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet, and to require that Auditor of State performance audits be scheduled to coincide with the periodic review. |
|   | ***Current Status:*** | 5/16/2017 - **REPORTED OUT AS AMENDED**, House State and Local Government, (Fourth Hearing) |
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| **HB54** | **STATE REVENUE OBLIGATIONS** (BLESSING III L) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities. |
|   | ***Current Status:*** | 3/15/2017 - Referred to Committee Senate Finance |
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| **HB69** | **LEVY REVENUE REIMBURSEMENT** (CUPP B) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district. |
|   | ***Current Status:*** | 5/9/2017 - **REPORTED OUT AS AMENDED**, House State and Local Government, (Sixth Hearing) |
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| **HB103** | **FISCAL EMERGENCY PROVISIONS** (REINEKE W) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision. |
|   | ***Current Status:*** | 4/26/2017 - Referred to Committee Senate Government Oversight and Reform |
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| **HB114** | **RENEWABLE ENERGY STANDARDS** (BLESSING III L) To revise the provisions governing renewable energy, energy efficiency, and peak demand reduction and to alter funding allocations under the Home Energy Assistance Program. |
|   | ***Current Status:*** | 4/26/2017 - Referred to Committee Senate Energy and Natural Resources |
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| **HB121** | **PIPE MATERIAL SPECIFICATIONS** (EDWARDS J) To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. |
|   | ***Current Status:*** | 5/9/2017 - House State and Local Government, (Third Hearing) |
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| **HB122** | **ESTABLISH ECONOMIC STUDY COMMITTEE** (HAMBLEY S, ROGERS J) To establish a Regional Economic Development Alliance Study Committee to study the benefits and challenges involved in creating regional economic development alliances. |
|   | ***Current Status:*** | 5/9/2017 - **REPORTED OUT**, House State and Local Government, (Third Hearing) |
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| **HB163** | **PREVAILING WAGE PUBLIC IMPROVEMENT PROJECTS** (ROEGNER K, RIEDEL C) To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects. |
|   | ***Current Status:*** | 5/9/2017 - House Economic Development, Commerce and Labor, (First Hearing) |
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| **HB180** | **EQUAL PAY ACT** (CLYDE K, HOWSE S) To require a contractor or person submitting a bid or other proposal for a state contract or a business entity applying for a grant or other economic incentive from a state agency to obtain an equal pay certificate, to require state agencies and political subdivisions to establish a job evaluation system to identify and eliminate sex-based wage disparities among classes of employees, and to prohibit an employer from retaliating against an employee who discusses the employee's salary or wage rate with another employee. |
|   | ***Current Status:*** | 5/1/2017 - Referred to Committee House Government Accountability and Oversight |
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| **HB221** | **PRIVATE PROPERTY SEWER AND WATER** (HOLMES G) To expressly include, as eligible projects under the State Capital Improvements Program administered by the Ohio Public Works Commission, water and sewer laterals located on private property. |
|   | ***Current Status:*** | 5/23/2017 - Referred to Committee House Finance |
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| **SB2** | **ENVIRONMENTAL PROTECTIONS LAWS** (HITE C) To revise specified laws relating to environmental protection. |
|   | ***Current Status:*** | 5/23/2017 - **REPORTED OUT**, House Energy and Natural Resources, (Fourth Hearing) |
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| **SB3** | **WORKFORCE DEVELOPMENT** (BEAGLE B, BALDERSON T) To revise the laws governing the state's workforce development system, programs that may be offered by primary and secondary schools, certificates of qualification for employment, and the Opportunities for Ohioans with Disabilities Agency, and to designate the first week of May as In-Demand Jobs Week. |
|   | ***Current Status:*** | 5/17/2017 - House Higher Education and Workforce Development, (First Hearing) |
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| **SB31** | **HEALTH RULE WITHDRAW PROCESS** (EKLUND J) To authorize a board of county commissioners or municipal legislative authority to elect to withdraw the county or municipal corporation from the application of any rule adopted by the Department of Health after January 1, 2014, that governs the design of household sewage treatment systems. |
|   | ***Current Status:*** | 3/1/2017 - Senate Energy and Natural Resources, (First Hearing) |
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| **SB51** | **LAKE ERIE IMPROVEMENT DISTRICT** (SKINDELL M, EKLUND J) To authorize the creation of a special improvement district to facilitate Lake Erie shoreline improvement. |
|   | ***Current Status:*** | 3/29/2017 - Senate Energy and Natural Resources, (Second Hearing) |
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| **SB72** | **PREVAILING WAGE LAW** (HUFFMAN M) To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects. |
|   | ***Current Status:*** | 3/7/2017 - Referred to Committee Senate Finance |
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| **SB79** | **STATE DEPARTMENTAL REVIEW SCHEDULE** (JORDAN K) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet, and to require that Auditor of State performance audits be scheduled to coincide with the periodic review. |
|   | ***Current Status:*** | 3/29/2017 - Senate Government Oversight and Reform, (Second Hearing) |
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| **SB88** | **SUBDIVISION COMMISSIONS-FISCAL EMERGENCY** (TERHAR L) To modify the composition and powers of the financial planning and supervision commission of a political subdivision that is in a state of fiscal emergency and to clarify the duties of that political subdivision. |
|   | ***Current Status:*** | 5/9/2017 - Referred to Committee House Government Accountability and Oversight |
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| **SB95** | **STATE PROJECTS-PIPING MATERIALS** (TERHAR L) To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. |
|   | ***Current Status:*** | 4/5/2017 - Senate Energy and Natural Resources, (First Hearing) |
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| **SB157** | **PUBLIC UTILITY RESELLING REGULATION** (BACON K) To regulate the reselling of public utility service. |
|   | ***Current Status:*** | 5/25/2017 - Introduced |
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| **SJR4** | **CAPITAL IMPROVEMENTS FUNDING** (SCHIAVONI J) Proposing to enact Section 2t of Article VIII of the Constitution of the State of Ohio to permit the issuance of general obligation bonds to fund sewer and water capital improvements. |
|   | ***Current Status:*** | 3/7/2017 - Referred to Committee Senate Finance |