

## OHIO LEGISLATIVE ALERT

### Ohio Legislature Passes Over 30 Bills in 48 Hours

By [Cassandra Manna](#), Associate

The Ohio General Assembly is officially on summer recess as they gear up for their November elections. They had a busy spring session, culminating in two whirlwind days during the last week of May, where they passed over 30 bills. The topics ranged from several employment-related considerations, including legalizing medical marijuana use in the state of Ohio, tax law reforms, requirements for school districts, and environmental law changes.

The bill summaries below are divided by topic area for ease of reference. Please feel free to [contact our office](#) should you have any questions about these law changes.

#### Employment Considerations

**Medical Marijuana Bill Passes (HB 523)** The General Assembly authorized the use of marijuana for medical purposes, with some exceptions. The bill does not allow for home growing, smoking, or recreational use. The Board of Pharmacy, State Medical Board, and the Department of Commerce have joint responsibility for the new industry. Physicians must recommend use of medical marijuana, and have the ability to revoke a recommendation. Additionally, the State Medical Board will draft continuing education requirements for physicians regarding medical marijuana. Within days of approval, Ohioans for Medical Marijuana, a group campaigning for a constitutional amendment legalizing medical marijuana, announced they would not be pursuing a constitutional amendment on the November ballot.

With passage of this bill, employers will need to adjust their employee policies regarding drug testing and marijuana use. An amendment that protects employees from termination solely because of their use of medical marijuana was tabled but this and related issues will continue to arise. Additional consultation about potential discrimination issues may be necessary.

**Incumbent Workforce Training Voucher Program Updates for Employers of Auto Mechanics (HB 429)** Employers of automotive technicians and motor vehicle technicians may participate in the Incumbent Workforce Training Voucher Program, which provides workforce training programs to employers. The law additionally defines and regulates autocycles under the Motor Vehicles Law.

**Victims of Sex Crimes May List Secretary of State's Address as Mailing Address for Purpose of Protection from Public Records and Offenders (HB 359)** Victims of domestic violence, menacing by stalking, human trafficking, rape, and sexual battery may apply to participate in the Secretary of State's Safe at Home address confidentiality program. This allows victims to list the Secretary of State's P.O. Box for mail forwarding to protect their address from appearing in public records.

Victims of such crimes are allowed to list the Secretary of State's P.O. Box as their home address with their employers, schools, institutions of higher education, or government entities. Employers should make note of this when questioning why the Secretary of State's P.O. Box is listed as a mailing address on applications or employee information files.

**County Recorders May Issue Veteran Identification Cards to All Ohio Veterans (HB 173)** Veteran employees are now eligible for Veteran Identification Cards from local county recorders.

**State's Unclaimed Funds Used to Pay Off Unemployment Compensation Debt to the Federal Government (HB 390)** Ohio carries an unpaid balance for advances from the federal government for the payment of unemployment benefits, which results in Ohio employers being subject to a graduated loss of the tax credit against the federal unemployment tax. The Legislature decided to mandate the use of the state's unclaimed funds to pay off the debt in September 2016, thus avoiding the 2017 escalation of the penalty on employers that could cost them nearly \$400 million. The funds will be recouped by a one-time surcharge on employers.

## Taxes

**Digital Advertising Services are Exempt from Sales and Use Tax (HB 466)** The Senate approved a measure to exempt digital advertising services from sales and use tax. In this bill, "digital advertising services" are defined as "providing access, by means of telecommunications equipment, to computer equipment that is used to enter, upload, download, review manipulate, store, add, or delete data for the purpose of electronically displaying, delivering, placing, or transferring promotional advertisements to potential customers about products or services or about industry or business brands." The exemption applies to electronic advertising services.

**Sale of Natural Gas by Municipal Gas Company Exempt from Sales and Use Tax (HB 390)**

**Sale or Use of Investment Metal Bullion and Coins are Exempt from Sales and Use Tax and Other Tax Changes (SB 172)** Investment metal bullion and coins are now exempt from sales and use tax. The change in the definition of "investment bullion" that qualifies for the exemption is "(A) any elementary precious metal that has been put through a process of smelting or refining and which is in such state or condition that its value depends upon its content and not upon its form, to (B) any gold, silver, platinum, or palladium bullion in excess of the minimum fineness required by a contract market for delivery in satisfaction of a regulated futures contract."

The law also expanded the fraternal organization property tax exemption to property of an organization operating under a state governing body that has been operating in Ohio for at least eight-five (85) years.

Finally, the deadline for payments of quarterly municipal income tax withholding taxes has been extended to the last day of the month following the last day of each calendar quarter.

**Elimination of Double Taxation where County and City Emergency Services Overlap (HB 277)** A county, township, or municipal corporation must only impose a 9-1-1 system levy on the portion of the subdivision that is directly served by the 9-1-1 system. This will prevent double taxation of residents by other subdivisions.

**Library Bonds May Seek Voter Approval of Property Tax Issues to Finance Facilities (HB 390)** Previously, libraries were only allowed to use proceeds from the Local Library Fund to retire debt for facilities. Property tax levies were only limited to covering operational costs. Now local libraries can use money from the library fund and a tax levied by political subdivision whose jurisdiction the library is subject to pay for financing the library facilities.

**More Low-Income Community Businesses are Eligible to Receive Credit-Eligible Investments Under the Ohio New Markets Tax Credit (HB 182)** Businesses that derive 15% or more of their revenue from

real estate sales or rentals are eligible to receive credit-eligible investments for the purposes of the Ohio New Markets tax credit.

## Governing Bodies

**Townships: Limited Home Rule Government Population Limit Reduced to 2,500 and Other Changes (HB 413)** The Senate approved a bill introduced by the House that made many changes to law regarding townships. The changes of note include the following:

- Adoptions of a limited home rule form of government reduced to population limit of 2,500 (down from 3,500 previously);
- Additional purposes for a board of township trustees to go into executive session;
- Allow townships to:
  - Charge for recycling services;
  - Purchase, lease, or provide underwater rescue and recovery equipment;
  - Use the proceeds of a fire, police, or emergency services tax levy to pay costs related to the service; and
  - Expend funds for presenting community events in parks and other recreational facilities
- Boards of township trustee may pay for group life insurance for any employee; and
- Additional public infrastructure improvements projects that townships can pay for with their public improvement tax increment equivalent funds.

**Victims of Sex Crimes May List Secretary of State's Address as Mailing Address for Purposes of Protection from Public Records and Offenders (HB 359)** Victims of domestic violence, menacing by stalking, human trafficking, rape, and sexual battery may apply to participate in the Secretary of State's Safe at Home address confidentiality program. This allows these victims to list the Secretary of State's P.O. Box for mail forwarding to protect their address from public records.

Victims of such crimes are allowed to list the Secretary of State's P.O. Box as their home address with their employers, schools, institutions of higher education, or government entities. Government entities should make note of this when questioning why the Secretary of State's P.O. Box is listed as a mailing address on constituent files.

**County Recorders May Issue Veteran Identification Cards to All Ohio Veterans (HB 173)**

**Residents Must Be Informed of Lead Contamination within Two Days of Testing (HB 512)** The bill requires local government water systems to inform residents of water contamination within two (2) days of testing. Additionally, the bill provides funding for removal of and replacement of lead pipes through the Facilities Construction Commission.

**Joint Economic Development Districts (JEDD) and Enterprise Zones Funds Allowed for Any Lawful Purpose (HB 182)** One or more municipal corporations, townships, or counties may designate an area as a JEDD for facilitating economic development and redevelopment. JEDDs now include a "mixed-use development" defined as "a real estate project that tends to mitigate traffic and sprawl by integrating some combination of retail, office, residential, hotel, recreation, and other functions in a pedestrian-oriented environment that . . . allow[s] members . . . to live, work, and play in one . . . are . . ." The legislative authority must hold a public hearing before approving the contract of a JEDD.

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## School Systems

**Victims of Sex Crimes May List Secretary of State's Address as Mailing Address for Purposes of Protection from Public Records and Offenders (HB 359)** Victims of domestic violence, menacing by stalking, human trafficking, rape, and sexual battery may apply to participate in the Secretary of State's Safe at Home address confidentiality program. This allows these victims to list the Secretary of State's P.O. Box for mail forwarding to protect their address from public records.

Victims of such crimes are allowed to list the Secretary of State's P.O. Box as their home address with their employers, schools, institutions of higher education, or government entities. Schools should make note of this when conducting audits or mailing list checks on students if the Secretary of State's P.O. Box is listed as a mailing address on the student file.

**Public Schools are Required to Provide CPR and AED Training to Students and Staff and Other Changes (HB 113)** The General Assembly passed a law that made many changes to education. Implementation will begin in 2017. The bill now requires thirty (30) minutes of hands-on CPR and AED training.

The term "GED" will now be replaced with "high school equivalency exam" to allow for the state to contract with multiple test vendors instead of just Pearson, who had purchased rights to the GED name. Additionally, the bill changes eligibility status of students to take the exam. Now a student is eligible for the exam if he/she has written permission from a parent, guardian, or court instead of requiring high school enrollment and a 75% attendance rate.

## Environment & Natural Resources

**Neutralization Now a Part of Treatment of Hazardous Waste (HB 429)** An amendment to HB 429 revised the definitions of "treat" and "treatment" to include neutralization of hazardous waste under the Solid, Hazardous, and Infectious Waste Laws. This makes Ohio's state laws compliant with federal regulations. Neutralization is now a valid method, technique, or process to dispose of hazardous waste.

**Division of Parks and Watercraft Created (SB 293)** The Division of Parks and the Division of Watercraft have merged into one division: the Division of Parks and Watercraft. The bill also revised wording and definition terms relating to natural resources.

**Water Systems Must Inform Residents of Lead Contamination within Two (2) Days of Testing (HB 512)** The bill requires local government water systems to inform residents of water contamination within two (2) days of testing. Additionally, the bill provides funding for removal of and replacement of lead pipes through the Facilities Construction Commission.

## Medical Facilities & Professionals

**Local Entities Prone to Severe Allergens May Possess and Administer Epinephrine Auto-Injectors without a License (HB 200)** A school, school district, or camp may procure epinephrine autoinjectors by having a prescriber personally furnish them or issue a prescription in the name of the school, school district, or camp.

## Business & Sales

**Permit Holders May Sell Ohio Wines at Farmers Markets (HB 178)** The bill creates the F-10 liquor permit, which authorizes certain A-2 permit holders to sell Ohio wines at farmers markets.

**Farms that Produce Wine May Directly Sell Wine on Property (HB 342)** The “Ohio Farm Winery” liquor permit allows for the direct sale of wines on farms where the wines are produced.

**Microdistilleries can Manufacture Up to 100,000 Gallons a Year (HB 351)** An A-3a liquor permit holder may now manufacture up to 100,000 gallons per year – compared to the previous limit of 10,000 gallons per year – once they have applied for and received an A-1-A liquor permit, which originally only craft beer and wine makers could receive.

**New Motor Vehicle Franchise Agreements (SB 242)** Creates required compliance regulation of the distribution and sale of motor vehicles through uniform statewide regulation.

## Real Estate

**Expedited Foreclosure and Transfer Process for Unoccupied, Blighted Parcels and Foreclosing Mortgages on Vacant, Abandoned Residential Properties (HB 390)** A mortgagee who files a foreclosure action on a residential property may file a motion to proceed in an expedited manner. The property must be vacant and abandoned. The court shall decide the motion within twenty-one (21) days after the last answer period has expired.

**Joint Economic Development Districts (JEDD) and Enterprise Zones Funds Allowed for Any Lawful Purpose (HB 182)** One or more municipal corporations, townships, or counties may designate an area as a JEDD for facilitating economic development and redevelopment. JEDDs now include a “mixed-use development” defined as “a real estate project that tends to mitigate traffic and sprawl by integrating some combination of retail, office, residential, hotel, recreation, and other functions in a pedestrian-oriented environment that . . . allow[s] members . . . to live, work, and play in one . . . are . . .” The legislative authority must hold a public hearing before approving the contract of a JEDD.

## Miscellaneous

**Online Voter Registration Allowed Beginning January 1, 2017 (SB 63)**

**Port Columbus International Airport has been renamed as the John Glenn Columbus International Airport (SB 159)**

**Post-Abortion Fetal Remains must be Disposed of by either Cremation or Interment, a Decision Made by Woman Who Sought Abortion (SB 254)**