

Byers, Minton and Associates

This Week at the Statehouse

June 14, 2019

Around the Square

State Tax Revenues

Ohio's tax receipts for the current fiscal year through May are up by \$616.8 million compared to expert predictions, and spending from the General Revenue Fund for the current fiscal year is \$885.5 million below estimates, which is reinforcing budget decisions by the Governor, House, and Senate to give tax cuts while increasing targeted spending. A major factor in May's higher revenue numbers were property tax reimbursements. The state's ending fund balance is expected to be significantly higher than predicted at the end of this fiscal year.

Political News and Notes

State Budget

On Tuesday, the Senate Finance committee accepted a substitute version of the state budget. The Senate version allocates \$33.58 in General Revenue Fund spending in Fiscal Year 2020 and \$35.24 billion in Fiscal Year 2021. The Senate restored the business income tax deduction of \$250,000, while maintaining the elimination of the bottom two tax brackets. It also imposes a seventeen percent tax rate on vapor products and restores the state's motion picture tax credit. The Senate substitute bill reallocates education money, which, instead of going to wraparound services, will go toward rapidly expanding school districts whose state formula funding is capped. Furthermore, the Senate version strips a House provision that would have mandated there be one pharmacy benefit manager for all managed care plans in Medicaid.

Medicaid Hiring

The Ohio Department of Medicaid is currently seeking new contracts with managed care companies to oversee its programs. Governor DeWine directed Medicaid to rebid managed care contracts to crack down on the costly and largely non-transparent practices of pharmacy benefit managers that providers hire to oversee prescription drug benefits. For this procurement process, Medicaid is first seeking input from individuals that are a part of these programs prior to developing a formal request for proposals from managed care companies.

Energy Bill Debate Continues

In its current form, House Bill 6 only grants financial compensation for FirstEnergy Solutions' two nuclear plants and a handful of solar projects. Now LEEDCo, developers of a Lake Erie wind farm project, would like a cut of the money from the nuclear subsidy bill after lawmakers stripped provisions of the bill that would enable wind projects to receive compensation through the proposed "Clean Air" credit program. Currently the legislation provides credits for eligible energy resources of up to \$9 per megawatt hour of carbon-free generation, but the LEEDCo proposal does not use megawatt hours. Rather they have proposed an earmark in which they would receive ten cents for every one dollar raised by the program from residential customers.

We encourage you to follow BMA (@ByersMinton) on Facebook, Twitter, and Instagram for continued updates throughout the week.

Bills Introduced This Week

HB 279 - Sex Offenses: To eliminate the spousal exceptions for certain sex offenses, to permit a person to testify against the person's spouse in a prosecution for any of those offenses, to eliminate the period of limitation for the criminal prosecution of a person for rape and for a civil action brought by a victim of conduct that would constitute rape, and to amend the versions of sections 2907.02 and 2907.05 of the Revised Code that are scheduled to take effect March 22, 2020, to continue the provisions of this act on and after that effective date.

HB 280 - License Plate: To create the "St. Charles Preparatory School" license plate.

HB 281 - Valedictorians: To require each school district board to designate one valedictorian and one salutatorian at each high school operated by the district.

HB 282 - Instant Bingo: To permit the use of electronic instant bingo devices.

HB 283 - Grant Program: To create the Competitive Global Air Service Development Grant Program and to make an appropriation.

HB 284 - Road Naming: To designate a portion of U.S. Route 36 in Tuscarawas County as the "Robert E. Turney Memorial Highway."

HB 285 - Driver's License Fees: To establish a permanent Driver's License Reinstatement Fee Debt Reduction and Amnesty Program.

SB 160 - Record Expungement: To provide a mechanism for the expungement of records of most convictions that, depending on the category of the offense, are at least 10 years old, 15 years old, or 20 years old, and to eliminate the waiting period for sealing a record related to a no bill.

SB 161 - Car Sharing: To specify requirements related to peer-to-peer car sharing in Ohio.

SB 162 - Sex Offenses: To eliminate the spousal exceptions for certain sex offenses, to permit a person to testify against the person's spouse in a prosecution for any of those offenses, to eliminate the period of limitation for the criminal prosecution of a person for rape and for a civil action brought by a victim of conduct that would constitute rape, and to amend the versions of sections 2907.02 and 2907.05 of the Revised Code that are scheduled to take effect March 22, 2020, to continue the provisions of this act on and after that effective date.

SB 163 - License Plate: To create the "ALS Awareness" license plate.

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