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Ohio Statehouse Update: 129th General Assembly Wraps Up Legislative Session

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On Thursday, the Ohio General Assembly concluded its business for the 2011-2012 legislative session. The House and Senate debated a number of important measures during the fast-paced "Lame Duck" session following the November general election. Here is a brief review of some of the more noteworthy issues that were addressed:

H.B. 510 (Amstutz) – Financial Institutions Tax Reform: The Legislature passed this measure on December 11. Originally introduced this spring as part of Governor Kasich's Mid-Biennial Review package, H.B. 510 eliminates the dealers-in-intangibles tax and the corporate franchise tax, and instead subjects banks to a broad-based financial institutions tax.

H.B. 555 (Stebelton, Butler) – Academic Performance Rating Systems: After lengthy debate and amendments in both chambers, this legislation passed on the last day of voting sessions on December 13. H. B. 555 changes the labels used to rate Ohio's public schools from terms such as "Excellent" or "Continuous Improvement" to an A-F grading system. The bill also mandates that school districts be graded in areas such as student performance, state test scores, and college and career readiness. The new letter grading system will become effective in the 2014-15 school year.

H.B. 495 (Johnson) – Concealed Carry Handgun Licenses: This measure to make changes to Ohio's concealed carry laws also passed on December 13 after considerable debate and amendments. H.B. 495 repeals the competency certification currently required for renewal of a concealed handgun license, revises the definition of "unloaded" as it applies to firearms transported in a motor vehicle, permits a concealed handgun licensee to store a firearm in a locked vehicle in the Statehouse Underground Parking Garage or the Riffe Center Parking Garage and makes other changes to definitions relating to concealed handgun licenses. A controversial provision was stripped from the bill in the Senate that would have granted automatic reciprocity for other states' concealed carry licenses.

Governor Kasich's Turnpike Bond Initiative: Last week, at the conclusion of a comprehensive study into the revenue-generation potential of selling or leasing the Ohio Turnpike to a private entity, the Governor announced a plan to maintain the Turnpike as a public asset and leverage \$1.5 billion in bonds backed by future Turnpike revenues, along with another \$1.5 billion in local and federal matching funds, to finance the backlog of highway, bridge and other transportation maintenance and reconstruction projects on hold across the state. The Governor's "New Jobs and Transportation" plan will likely be debated in conjunction with the state Transportation Budget that will be passed by the Legislature in the first quarter of 2013.

Issues Not Addressed: For various reasons, the Ohio House and Senate declined to pass legislation involving some high profile issues, including legislation placing restrictions on internet sweepstakes parlors; a proposed increase to the severance tax on oil and gas production; the "Heartbeat Bill" that would prohibit abortions after a fetal heartbeat is detected; proposed updates and changes to state ethics laws pertaining to public officials; and, proposed changes to Ohio's method for drawing legislative districts. These issues are likely headed toward re-introduction and further deliberation in the new year.

House and Senate Leadership Teams Set for the 130th General Assembly

In anticipation of the new General Assembly to convene in January, the House and Senate caucuses gathered their members during the lame duck session to vote on leadership teams for the upcoming session, as follows:

Senate

- Senate President: Keith Faber (R-Celina)
- President Pro Tempore: Chris Widener (R-Springfield)
- Majority Floor Leader: Tom Patton (R-Strongsville)
- Majority Whip: Larry Obhof (R-Medina)
- Senate Minority Leader: Eric Kearney (D-Cincinnati)
- Assistant Minority Leader: Joe Schiavoni (D-Boardman)
- Minority Whip: Nina Turner (D-Cleveland)
- Assistant Minority Whip: Edna Brown (D-Toledo)

House of Representatives

- Speaker of the House: William G. Batchelder (R-Medina)
- Speaker Pro Tempore: Matt Huffman (R-Lima)
- Majority Floor Leader: Barbara Sears (R-Sylvania)
- Assistant Majority Floor Leader: John Adams (R-Sidney)
- Majority Whip: Cheryl Grossman (R-Grove City)
- Assistant Majority Whip: Jim Buchy (R-Greenville)

- House Minority Leader: Armond Budish (D-Beachwood)
- Assistant Minority Leader: Matt Szollosi (D-Oregon)
- Minority Whip: Tracy Heard (D-Columbus)
- Assistant Minority Whip: Debbie Phillips (D-Athens)

Legislative Priorities for the 130th General Assembly

As prescribed in state law, the 130th General Assembly will convene on January 7, 2013. The Legislature, as well as the Kasich Administration, are expected to take on several major issues during the first half of 2013, to include the following:

State Budget Bills – Ohio's new two-year Main Operating Budget must be passed by June 30, 2013 in time for the start of the state's new Fiscal Year on July 1, 2013. Also, the state Transportation Budget, Workers' Compensation Budget and Industrial Commission Budget are anticipated to be passed by the General Assembly in early 2013.

Tax Reform Measures – The Kasich Administration has publicly announced it is considering changes to Ohio's tax laws with an overall goal of reducing Ohio's income tax. A number of tax proposals – including municipal income tax reform, increasing the oil and gas severance tax, elimination of certain sales tax exemptions and other tax expenditures, and revisions to the commercial activity tax – are likely to be considered in conjunction with deliberations over the Operating Budget.

Education Funding Reform – The Kasich administration and state legislative leaders have been reviewing the current status of school funding and have been hearing from interested parties regarding proposed changes to the system. Next year may bring a renewed initiative to reform public school funding and policy in Ohio.