

Ohio Marine Trades Association
and Government Advantage Group

LEGISLATIVE REPORT

JANUARY 2023



Boat Use Tax Bill Passed!

The Lake Erie Marine Trades Association and the Boating Associations of Ohio are pleased to announce that the Ohio legislature has favorably passed, and Governor Mike DeWine has signed, a proposal to make Ohio's tax policy more friendly to our marine industry. LEMTA/BAO has been working on this issue for several years and had been advocating for the passage of House Bill 314 this General Assembly. During the last week of session, the provisions of HB 314 were amended into House Bill 66 before being approved by the Ohio House and Ohio Senate.

Primary bill sponsor, Representative DJ Swearingen, stated, "Boating on Lake Erie, and the economic impact it has on my district, is critically important. It was an honor to champion this bill and I am certain it will help Ohio's marine trade businesses thrive."

The provisions of the proposal encourage boat sales and off-season services to stay here in Ohio. We don't want any customer to keep their business out of Ohio over fear of an unexpected tax bill. The language is narrowly crafted to assure it isn't abused, Ohio's tax base is protected, and our members can attract additional business during the critical off season. This will help ensure secured employment for our businesses' employees and hopefully spur additional watercraft sales in the State.

Natural Resource Officers to be Equipped with Body Cameras

Ohio Department of Natural Resources has announced that their officers are the latest Ohio law-enforcement officials to be equipped with body cameras. The cameras, which will be worn by all 262 ODNR natural resource and wildlife officers by the end of the year, were paid for with \$3.5 million in federal coronavirus relief aid.

Lame Duck Spending Approved

In the final week of legislative activity for 2022, the legislature approved a significant spending package to the tune of over \$6 billion via House Bill 45. These funds were a combination of ARPA funds and general revenue funds. Spending approved included another \$2.75 million for Indian Lake "to support the prevention and removal of invasive weeds at Indian Lake. Funding under this line item may be used for the application of weed control chemicals, weed harvesting, or other tasks necessary to control invasive weeds in Indian Lake." There was also \$50 million for the State Fairgrounds planned redesign, \$3.5 million to support the Mentor Erosion Mitigation project, and \$250 million for Water and Sewer Quality Program.

Directors to Resign

As Governor Mike DeWine readies to be sworn into his second term, he will have some appointments to make, as several members of his cabinet will not be returning. Those include, Ohio Department of Agriculture Director Dorothy Pelanda, Ohio EPA Director Laurie Stevenson, Tax Commissioner Jeff McClain and Ohio Department of Public Safety Director Tom Stickrath. Governor DeWine has already announced his nominees for Ohio EPA and ODPS. Those are Anne Vogel and Andy Wilson respectively.

Minimum Wage to Increase

Because of a ballot initiative approved by voters years ago, Ohio's minimum wage is adjusted annually for inflation. Starting in January of 2023, the state's minimum wage for non-tipped employees will increase to

\$10.10 per hour. Groups are also working on another possible ballot initiative to make additional changes to Ohio's minimum wage. LEMTA will monitor that effort and keep members updated on any developments.

Distracted Driving

House Bill 288 which was priority legislation making reforms to the criminal justice system has passed. Before passing the bill, the House added an amendment incorporating HB 283 regarding distracted driving. This proposal will expand what distracted driving is, make it a primary offense and enhance penalties for violations. This was a priority for the Governor and had already passed the House of Representatives. However, since the Senate had not expressed an urgency to move the bill, the House ultimately amended it into SB 288 in what is known as lame duck "horse trading".

Poultry Legislation Loaded Up

House Bill 507, legislation sponsored by Representative Kyle Koehler, was originally intended to decrease from 6 to 3 the minimum number of poultry chicks that may be sold in a lot. After passing the House unanimously, it went to the Senate for consideration. Before reporting the bill out of the Senate Agriculture Committee on December 6, 2022, the committee added a host of amendments. A few of those are summarized below.

- Amends the provisions of SB 338 regarding health inspectors and health inspections into HB 507. Senate Bill 338 will require ODAg and ODH to adopt rules governing the assessment of registered environmental health specialists and environmental health specialists in training who conduct inspections of retail food establishments and food service operations. The assessments created under this bill would test health inspectors' knowledge food safety and Ohio's food code. This will ensure local inspectors are fairly, accurately and competently inspecting food service operations. If your business has a food service operation, this change should make inspections more efficient and focused.
- Prohibits a political subdivision from regulating or banning the packaging, registration, labeling, sale, storage, distribution, use, or application of a pesticide registered with the Department of Agriculture on private property, including private property that is open to the public.
- Defines "green energy" to include energy generated by using natural gas.
- Requires, rather than authorizes, state agencies to lease land for oil and gas resources for development (drilling). This provision has been heavily criticized by environmental groups.

Sales Tax Receipts

Data regarding sales tax receipts for the first half of 2022 continue to show strong numbers in watercraft sales. Receipts for motor vehicle and watercraft sales and use taxes are collections reported from the Clerks of Courts. These numbers represent an increase in receipts over the second half of 2021 for watercraft, but a slight decrease from the data from the first half of 2021.

	State Collections	Permissive Collections	Total Collections
Collections from sales of motor vehicles	\$972,961,100	\$238,025,604	\$1,210,986,703
Collections from the sales of watercraft	\$ 14,666,718	\$ 3,429,934	\$ 18,096,652
Totals	\$987,627,817	\$241,455,538	\$1,229,083,355

Asset Management Legislation

Representative Scott Wiggam had introduced House Bill 464 to eliminate the asset management program for public water systems. The original bill to create this program was focused on large truly public water systems. However, all water systems were impacted based on how public water system is defined. HB 464 would eliminate the requirement to submit these plans to Ohio EPA, but under the substitute version of the bill, the asset management requirement is only eliminated for transient noncommunity water systems. The legislation has been favorably reported by the House Agriculture and Conservation Committee. Separately, the provisions of HB 464 were ultimately incorporated into HB 364 regarding waterworks infrastructure which has been sent to the Governor for signature.

Under the bill “Transient noncommunity water system” means a noncommunity public water system that does not regularly serve at least twenty-five of the same persons over six months per year and is not a community water system or a nontransient noncommunity water system.