



Government Affairs Committee Agenda
November 21, 2024

Welcome & Introductions

Luke Harms, Director of Government Relations, Whirlpool Corporation, Committee Chair

Public Policy Rundown/Staff Reports

- Leadership
- Energy
- Environment
- Human Resources
- Safety and Workers' Compensation
- Taxation & Finance

Ryan Augsburger, OMA President
James Lee, OMA Staff
Lindsey Short, OMA Staff
Ann Aquillo, OMA Advisor
John Seryak, PE, RunnerStone LLC, OMA Energy Engineer
Kim Bojko, Partner, Carpenter Lipps & Leland, OMA Energy Counsel

OMA Counsel's Report

Chris Slagle, Bricker Graydon LLP, OMA General Counsel

2024 Election Analysis

Bob Paduchik, Former Ohio-GOP Chair & Current President, Agincourt Consultants

Special Guest Presentation

Senator-Elect Bernie Moreno, United States Senate

Discussion Agenda

- Protecting competitive energy markets
- Scare of looming power shortage
- Defending against harmful legislation during the lame-duck session
- 2025 state operating budget
- Speaker's race update
- 2024 election analysis and political outlook for 2026 statewide races

2024 Government Affairs Committee Calendar
Meetings begin at 10 a.m.

2025 meeting schedule to be released in January

Our Meeting Sponsor:



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Name	Company	Location
Kevin Abke	Ohio CAT	Perrysburg, OH
Kristin Aldred	Stericycle, Inc.	Bannockburn, IL
Ann K. Aquillo	Ann Aquillo Consulting LLC	Powell, OH
Mary Beth Arensberg, PhD, RD, LD,FADA	Abbott Nutrition	Columbus, OH
Lisa Armstrong	Schaeffler Group USA	Wooster, OH
Ryan R. Augsburg	The Ohio Manufacturers' Association	Columbus, OH
Steve Austria	Sugar Creek Packing Company	Dayton, OH
Kevin Baird	PPG	Pittsburgh, PA
Jan Bans	AT&T Ohio	Columbus, OH
Bradley H. Belden	The Belden Brick Company	Canton, OH
Greg Bennett	Owens Corning	Granville, OH
Krista Bistline	Verizon	Lewis Center, OH
Allyson Blandford	Amgen USA	Fishers, IN
Brian Bleichrodt	Xigent Automation Systems, Inc.	Lewis Center, OH
Jacob Block	American Nitrile Operations LLC	Grove City, OH
Clint Blume	Haviland Drainage Products Co.	Haviland, OH
Kimberly W. Bojko	Carpenter Lipps LLP	Columbus, OH
John Broderick	Magna International	Troy, MI
Angie Brunswick	Fort Recovery Industries, Inc.	Fort Recovery, OH
Joe Clark	Prospira America	Upper Sandusky, OH
Conor Collins	Simon Roofing & Sheet Metal Corporation	Columbus, OH
Alex Coorey	Charter Communications	Columbus, OH
Andrew P. Corsig	PhRMA	Cincinnati, OH
Bruce Cummins	Mansfield Engineered Components	Mansfield, OH
Ashley Davis	The Sherwin-Williams Company	Washington, DC
Derek Davis	American Honda Motor Company	Marysville, OH
Russell Decker	Nutrien	Lima, OH
Robin Dennis, CPA	Clark Schaefer Hackett	Miamisburg, OH
Kevin DeWine	Crown Equipment Corporation C/o CBD Advisors	Beavercreek Township, OH
Matthew DeWine	Foxconn	Warren, OH
Steve Dimon	AMG Vanadium LLC C/o 21 Consulting, LLC	Columbus, OH
Paul G. Dunlavy	P.V.P. Industries, Inc.	North Bloomfield, OH
Ania Ediger	Cleveland-Cliffs, Inc.	Cleveland, OH
Nathan Facey	The Goodyear Tire & Rubber Company	Washington, DC
Paul Feenstra	PACCAR	Washington, DC
Patrick G. Foltyn	The Cincinnati Insurance Companies	Columbus, OH
Adrienne Forgette	Clark State College	Springfield, OH
Mardi Fraley	Mid West Fabricating Company	Amanda, OH
Tayte French Lutz	French Oil Mill Machinery Company	Piqua, OH
Scott Frens	Fort Recovery Industries Inc.	Fort Recovery, OH
Jennifer J. Friel	Mid West Fabricating Company	Amanda, OH
Danielle Fulton	Millat Industries	Kettering, OH
Jennifer Gilliland	Identity Systems Inc	Columbus, OH
Cedric Glasper	Mechanical Rubber	Strongsville, OH
Rashad M. Gray	Mechanical Rubber	Strongsville, OH
Ryan Haas	GBS Corp.	North Canton, OH
Ryan Hamsher	GBS Corp.	North Canton, OH
Ann Hankinson	Ludowici Roof Tile, Inc.	New Lexington, OH
Luke M. Harms	Whirlpool Corporation	Washington, DC
Clark Harvey	Arrowhead Talent Solutions	North Canton, Ohio
Eric Heis	Illuminate USA	Pataskala, OH
Corey Hendricks	Dynegey	Berlin Center, OH
Brian Patrick Herrington	ScottsMiracle-Gro Company	Marysville, OH
Rodney Hildebrand	Covestro LLC	Washington, DC
Kevin Hoggatt	Intel Corporation	Columbus, OH
Ron Holbrook	Sugar Creek Packing Company	Blue Ash, OH

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Name	Company	Location
Joseph Hollabaugh, Jr	Shumaker Advisors	Columbus, OH
Lawrence D. Holmes	Fort Recovery Industries Inc..	Greenville, OH
Brian Huprich	Ariel Corporation	Mount Vernon, OH
Vince Ingles	GBS Corp.	North Canton, OH
Eric Jenkusky	TJ Clark International LLC	Delaware, OH
Stephen Jetter	Fort Recovery Industries, Inc.	Fort Recovery, OH
David W. Johnson	Summitville Tiles, Inc.	Summitville, OH
Matthew F. Johnston	Worthington Enterprises	Columbus, OH
Katie Kelley	Akron Rubber Development Lab, Inc.	Barberton, OH
Emily Lambe	American Honda Motor Company	Washington, DC
Crystal Langley	TOSOH SMD, Inc.	Grove City, OH
Christye Leasure	Ghent, a GMi Company	Lebanon, OH
James Lee	The Ohio Manufacturers' Association	Columbus, OH
Jennifer Lehman	Campbell Soup Company	Camden, NJ
Jill Lifer	Johnson Bros.-West Salem, Inc.	West Salem, OH
Timothy Ling	Plaskolite	Columbus, OH
Jessica A. Lloyd, MBA	Brilex Industries Inc.	Youngstown, OH
Andrew Lower	THK Manufacturing of America	Hebron, OH
Kenneth D. Magyar	DT Midstream	Canonsburg, PA
Catherine Martin	Phillips Tube Group, Inc.	Middletown, OH
Vira Maruli	Liberty Casting Company, LLC	Delaware, OH
Brian Mayle	Brechbuhler Scales Inc.	Canton, OH
Nathan Mays	The Ohio Manufacturers' Association	Columbus, OH
Sean McKinney	P & S Bakery, Inc.	Youngstown, OH
Steven Morgan	New Horizons Baking Company	Norwalk, OH
Ramola Musante	The Sherwin-Williams Company	Washington, DC
Donald G. Nettis	American Controls, LLC	Wickliffe, OH
Jay O'Bryant	Vistra	Columbus, OH
Susan Olavarria	Stericycle, Inc.	Bannockburn, IL
Chris Oliveti	ScottsMiracle-Gro Company	Marysville, OH
Matt O'Malley	Pepperidge Farm Inc	Willard, OH
Joe Onderko	Path Robotics	Columbus, OH
Kevin Orr	Pfizer, Inc.	Dublin, OH
Jessica Osborne	EAGLE Certification Group	Dayton, OH
Joseph Oyler	The Boeing Company	Arlington, VA
Jeffrey Pax	Pax Machine Works, Inc.	Celina, OH
Nic Phillips	Ideal Electric Co.	Mansfield, OH
Gene Pierce	Pierce Communications	Columbus, OH
Melanie Pillion	Francis Manufacturing Company	Russia, OH
Rick Platt	Heath-Newark-Licking County Port Authority	Heath, OH
Darwin Porras	Rittal Corporation	Urbana, OH
S. Craig Predieri	Crown Equipment Corporation	New Bremen, OH
Mike Purcell	GBQ Partners LLC	Columbus, OH
Natalie Randall	American Nitrile Operations LLC	Grove City, OH
Jeff W. Reed	American Honda Motor Company	Marysville, OH
Michael Repetto	Foxconn	
Brian Riley	The Goodyear Tire & Rubber Company	Washington, DC
Richard Roberts	Superior Forge & Steel Corporation	Lima, OH
Jeremy Rosenbeck	Republic Wire, Inc.	West Chester, OH
Dennis Rowbotham	GRT Utilicorp, Inc.	Wooster, OH
Jim Samuel	Capitol Integrity Group	Columbus, OH
Christine Sanducci	GBQ Partners LLC	Columbus, OH
Kaitlin Savage	Google	Mountain View, CA
Zach Schlimm	GBS Corp.	North Canton, OH
Johannes Schrama	Heidelberg Materials	Middlebranch, OH
Brynnly Schwartz	Shell	Monaca, PA
Adrienne Schweer	Joby Aviation	
Maximiliano Sepulveda	Ferrero U.S.A, Inc.	Washington, DC

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Name	Company	Location
Maxim Serezhin	Standard Power	New York, NY
John Seryak, PE	Runnerstone	Worthington, OH
John Shevlin	Midmark Corporation	Versailles, OH
Lindsey Short	The Ohio Manufacturers' Association	Columbus, OH
Christopher N. Slagle	Bricker Graydon LLP	Columbus, OH
Samantha Sloan	First Solar, Inc.	Perrysburg, OH
Gretchen Spear	International Paper	Bloomington, MN
Jeff Starky	GBS Corp.	North Canton, OH
Steve Staub	Staub Manufacturing Solutions	Dayton, OH
Duane Steelman	Cleveland-Cliffs, Inc.	Cleveland, OH
Jeff Swan	Cleveland Steel Container Corporation	Hudson, OH
Will Telligman	The Sherwin-Williams Company	Washington, DC
Jennifer Titus	Catexel Nease LLC	West Chester, OH
Kendy A. Troiano	Clark Grave Vault Company	Columbus, OH
Stella Tsirelis	Massillon Container Co	Navarre, OH
Jenna Tugaoen	Sycamore Growth Group	Columbus, OH
Whitney Tull	STERIS Corporation	Washington, DC
Jeffrey C. Turgeon	Zaclon, LLC	Cleveland, OH
Terry Ulmer	Liberty Casting Company, LLC	Delaware, OH
Mike Vitale	GBS Corp.	Malvern, OH
Todd Washam	Cenovus Energy	Dublin, OH
Raymond Wayne	Heritage Thermal Services	East Liverpool, OH
Michael Weber	Schaeffler Group USA	Washington D.C., DC
Adam Weiser	Advanced Fiber Technology	Bucyrus, OH
Jason Wetzel	General Motors Corporation	Indianapolis, IN
Matthew W. White	Edison Welding Institute	Columbus, OH
Karen Ann Winters	Squire Patton Boggs	Columbus, OH
Lena Zodda	Graphic Packaging International, Inc.	Germantown, TN
Zuzana Zvarova	Boston Beer Company	Boston, MA

Total Participants 143



Meet Robert Paduchik

EXPERTISE. EXPERIENCE. ENERGY.

Robert Paduchik is President of Agincourt Consultants, a public affairs firm that provides strategic consulting services for the executive and legislative branches of government in Washington, D.C. and the state of Ohio. Bob is an accomplished strategist with more than 35 years' experience leading political and public affairs campaigns.

Bob is the Chairman of the Ohio Republican Party and has served as the Co-Chairman of the Republican National Committee. He has managed four successful Presidential campaigns in the battleground state of Ohio in 2020, 2016, 2004 and 2000. Bob managed Rob Portman's first U.S. Senate race and worked on Ohio campaigns for Governor Mike DeWine, Governor Bob Taft and Attorney General Jim Petro.

He has served in the administration of George W. Bush as the Deputy Assistant Secretary for External Affairs at the U.S. Department of Energy and an Action Officer at the Pentagon. Bob has directed national and local public affairs campaigns for clients in the energy, telecommunications, chemical, gaming, pharmaceutical, and education sectors. He's managed multi-million-dollar campaigns and is a dynamic leader with the ability to build consensus and create innovative solutions.

A graduate of the University of Akron, Mr. Paduchik lives in Genoa Township, Ohio with his wife and two daughters. He is a veteran of the United States Army.



Senator-Elect Bernie Moreno was born in Bogota, Colombia. At age five, his American dream began when he moved to the United States with his family. Bernie became an American citizen at age 18.

Bernie purchased his first car dealership in 2005 by investing every cent he had, and then some, and never looked back. Through his relentless work ethic and untamable entrepreneurial spirit, he turned that one dealership into one of the largest dealership groups in America.

More recently, in 2016, Bernie recognized the value and transformational potential of blockchain technology, before it received mainstream attention, and moved much of his volunteer time and investment dollars into the space. In 2018 he co-founded ChampTitles, which eliminates the need for States to issue paper titles. The company has grown to be quite successful as Bernie served as Chairman of the Board. He recently sold his entire stake in the company and is no longer the Board Chair.

After a long, successful career, Bernie sold most of his business to begin focusing on his calling: protecting the American dream for another generation. He saw the government calling some people essential and other hardworking Ohioans “unessential.” He saw schools shut down and China go unpunished for unleashing a virus on the world. He saw politicians afraid to take on the CCP for stealing our jobs and technology; buying our farmland; and influencing young minds via TikTok and Confucius Institutes.

Bernie lives in Westlake, Ohio, with his wife, Bridget, and has four adult children.

Ohio Public Policy Highlights November 2024

Overview

The recent general election has significantly reshaped Ohio's political landscape, with notable changes on the horizon for House leadership following Speaker Stephens' decision to withdraw from the House Speaker race. As members of the General Assembly reconvene in Columbus, legislative activity has already begun to intensify, with both chambers entering the post-election session to close out the year. This heightened activity will continue well into 2025, driven by the state's operating budget process, which will begin in early January and extend through June.

Current priorities for the OMA include:

- Protecting competitive energy markets
- Promoting manufacturing friendly energy policy
- Defending against harmful legislation during the lame-duck session
- Evaluating operating budget priorities for 2025
- Advocating for the rollback of costly Biden-Harris regulations

The OMA's testimony supporting legislative reforms can be found in today's leadership materials.

Speaker Stephens Drops out of House Speaker Race

On Tuesday of this week, Ohio Speaker of the House Jason Stephens (R-Kitts Hill) announced he will not seek re-election as Speaker for the next General Assembly. Stephens, who won the Speaker's gavel in 2023 with a coalition of 22 Republicans and 32 Democrats, has faced significant intra-party conflict during his tenure. With Senate President Matt Huffman (R-Lima) returning to the House and two other candidates, Reps. Ron Ferguson (R-Wintersville) and Tim Barhorst (R-Fort Loramie), emerging, the race for Speaker is wide open. Though President Huffman is the heavily favored frontrunner, Stephens gave an interesting parting quote by characterizing his decision to leave as creating "a whole new Speaker race." Stephens declined to endorse a successor.

Generation Re-Regulation Threat

Competitive power generation is critical to maintaining reliable and affordable power. Utilities would have Ohioans believe that demand will outpace electricity supply in the near future and that markets cannot respond adequately to meet this need. They are using this as an excuse to argue for scrapping competition and returning to the days of electric utility monopolies and subsidized power plants. This would drag Ohio backwards 20 years, drive up costs, hurt our state's economy and eliminate the benefits of competition: choice, cost-effectiveness, efficiency, and innovation.

Meanwhile, grid operator PJM, the organization tasked with ensuring reliability, has neglected to act with true independence or put consumers first to the tune of at least \$4.4 billion passed along to captive customers. Its failure to hold timely capacity auctions, which are critical to procure new generation, and costly new rule changes, have inflated electricity prices significantly.

Energy

Significant regulatory activity is occurring at the Public Utilities Commission of Ohio. AEP Ohio has proposed a tariff to penalize large electricity users, specifically data centers. The OMA Energy Group has intervened in the case to oppose setting a discriminatory rate design precedent which seeks to single out a specific industry. More details in energy report.

In the Statehouse, legislators are rushing to finalize bills that have been pending in the energy committees before the end of the General Assembly. This includes a proposal to benefit utilities under the guise of energy efficiency in House Bill 79, and the creation of a community solar program in House Bill 197 that would result in millions of dollars in cost shifting to non-participating ratepayers.

The legislature still has varying pieces of legislation pending regarding electricity ratemaking reform. While there are multiple bills introduced across the House and Senate, only one of the proposals being debated would result in lower energy costs for consumers, Senate Bill 143.

Former Speaker to Ask for Presidential Pardon

Former Ohio Speaker of the House Larry Householder is preparing to ask President-elect Donald Trump for clemency, according to his campaign's attorney.

Householder is currently serving a 20-year prison sentence for his role in orchestrating the largest bribery scandal in Ohio history. He is reportedly planning to submit an official pardon application to the U.S. Justice Department after Trump takes office.

The Justice Department normally requires people serving a federal prison sentence to wait five years after release to apply for a pardon.

Workforce

The OMA has testified in support of several bills that would help lower barriers to employment. Senate Bill 198, recently passed by the Ohio Senate, would provide returning citizens with state ID cards and a copy of vocational training records and/or work records. Additionally, the OMA has supported a piece of legislation recently passed by the Ohio House, which seeks to address the shortage of career technical instructors in the state. House Bill 432 would create alternative licensure pathways for career tech instructors and aims to better equip career technical planning districts to meet the growing needs of their services.

The OMA continues its programming with the Untapped Talent Working Group, comprised of manufacturing leaders, to provide guidance and advice to the OMA about recruitment and retention strategies. The working group seeks to identify best practices and common challenges in recruiting and retaining untapped talent populations, including women, formerly incarcerated Ohioans, people of color, and veterans.

The Ohio Manufacturers' Workforce Summit was held on November 14 at the Greater Columbus Convention Center. The event featured keynote speaker Lieutenant Governor Jon Husted, who highlighted the importance of partnerships between businesses and educators and detailed new and expanded manufacturing efforts in Ohio.

Ohio Auto & Advanced Mobility Workforce Strategy

The OMA's work on the Auto & Advanced Mobility (A&AM) Workforce Strategy this quarter continued its focus on A&AM Super RAPIDS implementation. This Ohio Department of Higher Education (ODHE) initiative helps public universities and Ohio Technical Centers improve their manufacturing training programs by funding relevant equipment purchases. Equipment purchases must help these programs produce graduates to fill occupations in demand by regional manufacturers. The OMA and OMA-Endorsed Industry Sector Partnerships (ISPs) conducted a series of eight prioritization sessions in which employers ranked Super RAPIDS project proposals and educators decided on funding allocations for the highest priority projects. Regional

applications for Northeast, Central, Western Ohio are complete and submitted to ODHE. The application process for all six Regional Hubs will conclude on December 31 of this year.

Other A&AM initiatives also saw progress. Work on the MakingOhio brand continued, and the resulting outreach tools were debuted at the Ohio Manufacturing Workforce Summit. The OMA and ODHE hosted educator and employer focus groups in Northeast and Western Ohio, seeking solutions for manufacturing training instructor shortages. Further sessions are planned in the other four regions.

Tax Policy

The most notable changes to tax policy are typically included in the state's operating budget. Although this is a campaign year, members of the legislature have introduced a pair of bills that would have a significant impact on the revenue Ohio brings in each year. Proposals to phase out Ohio's income tax and repeal the remainder of the Commercial Activity Tax by 2030 have been introduced in both chambers. These two taxes bring in approximately \$13 billion in revenue to our state, making up almost half of the tax revenue in Fiscal Year 2023. The bill sponsors have not yet produced a plan on how this large gap in revenue would be made up if the proposal were to be enacted into law.

Adult Use Marijuana Regulation of Synthetic Marijuana

On August 6, the Ohio Department of Commerce officially granted the legal right for Ohio's medical dispensaries to sell cannabis for recreational use in the state. With many cannabis shops opting into the new form of sales, Ohio has already seen a noteworthy outcome within a month of launch. From Aug. 6 to Aug. 10, the Department of Cannabis Control said the state's dispensaries racked up \$11,530,708. The latest data from the week of Aug. 17 showed customers shed little steam in their interest in adult-use cannabis, coming close to doubling the dollar total for recreational sales.

Thankfully for employers, the OMA's supported employer protections for medical marijuana apply to recreational marijuana, allowing employers to maintain their drug free workplace policies. This statute provides employers with the strongest protections in the country.

The legislature is still grappling with potential marijuana reforms that will likely be pushed in next year's operating budget. Senator Steve Huffman, has recently introduced a bill to ban the sale of intoxicating hemp products, including delta-8, which pose a threat to workplace safety and present challenges for manufacturers in enforcing drug-free workplace policies.

March-In Rights: Federal Assault on Manufacturers' Intellectual Property

The OMA made public comments opposing the proposed "March-In" rule by the National Institute of Standards and Technology, which seeks to empower the federal government to confiscate patents from manufacturers that make what the agency deems excessively priced products. This rule directly impacts manufacturers' intellectual property rights, posing a considerable threat to innovation in the United States, jeopardizing the nation's prominent position in the innovation economy. Those comments can be found in today's leadership materials. In addition to these comments, the OMA also signed a letter with a numerous national trade associations opposing the proposal which can also be found in today's materials. The status of this proposal remains unclear in the wake of the incoming Trump administration.

Prompt Pay

The OMA joined forces with the Ohio Hospital Association to oppose House Bill 203 before the House Commerce and Labor Committee - the Prompt Pay Act. The bill presents a blatant

infringement on freedom of contract rights for manufacturers. It requires owners of private construction projects (including manufacturers building, improving, or maintaining facilities in Ohio) to pay contractors within 30 days or face an exorbitant 18% interest rate.

The House passed the bill in late 2023 with an overwhelming majority (78-3). The bill received its first hearing for sponsor testimony in the Senate Higher Education and Workforce Committee in June. Discussions around the bill have quietly resurfaced in recent weeks, prompting the OMA to collaborate with legislators to oppose its advancement.

Right to Repair

The OMA joined trade associations nationwide to oppose provisions in the National Defense Authorization Act that would require defense contractors to comply with right-to-repair policies by providing unlimited access to repair materials and information, compromising sensitive trade secrets. The provision would impose burdensome requirements, mandate pricing controls, and discourage companies from participating in the defense industrial base, all without clear benefits to national security. That letter can be found in today's leadership materials.

The OMA has historically opposed similar legislation at the state level including Senate Bill 73, which would impose similar requirements on the entire manufacturing sector. Read the OMA's testimony.

Minimum Wage Misses Ballot 2024, Will Return in 2025

The organizers of the Ohio minimum wage ballot initiative announced they had failed to meet the signature requirements to get the proposal on the November ballot. Despite falling short, Raise the Wage Ohio has stated that they plan to continue gathering signatures with the aim of placing the \$15 minimum wage measure on the 2025 ballot. The OMA will continue to monitor the effort and weigh options for engagement.

Forced Unionization Halted in the Senate

House Bill 205, the OMA-opposed labor mandate bill, has been temporarily halted in the Ohio Senate, thanks to collective efforts from the OMA, OMA members Cenovus and Nutrien, the unified business community, and, surprisingly, newfound opposition from unions.

Last summer, HB 205 faced a disappointing legislative process, hastily advancing through the House committee in just two weeks, with minimal hearings despite vehement opposition from Ohio's business community. Despite swift passage with Republican support, the Senate provided a fair hearing, allowing dissenting voices to be heard.

In a surprising turn, the United Steelworkers aligned with the business community, criticizing the bill for its failure to enhance worker safety and accusing proponents at the Associate Construction Trades Union (ACT Ohio) of shamelessly politicizing the tragic deaths of Toledo refinery USW workers to advance their political agenda. This united opposition likely paused the bill temporarily, although concerns linger about a potential resurgence in lame-duck legislative session.

OMA's labor relations counsel, Matt Austin, testified against HB 205 in both chambers, highlighting its overly broad and burdensome provisions favoring unions in construction contracts. This testimony is available in today's meeting materials.

OSHA Walk Around Rule

In April, OSHA finalized its proposed walkaround rule that will allow third-party non-employees, including union representatives and community activists, to accompany OSHA inspectors during routine inspections.

The OMA submitted comments opposing the rule, which garnered national recognition. The rule's implementation will compromise workplace safety by allowing union officials and other non-expert third-parties to enter non-unionized facilities without the employer's consent, disrupting operations and exposing trade secrets. The OMA's comments underscore the potential risks and adverse impacts on workplace safety and confidentiality if the proposed rule were to be enacted.

The OMA actively involved its membership in direct engagement with Ohio's congressional delegation, with nearly 200 OMA member companies endorsing a letter from OMA President Ryan Augsburger urging federal representatives to use their congressional authority to strike the rule. The National Association of Manufacturers have challenged the rule in federal court. Reports are predicting that the Trump Administration will likely rescind the rule.

Supreme Court Hands Businesses a Win in Overruling of Chevron Doctrine

In a major win for manufacturers, the U.S. Supreme Court recently overturned the Chevron Doctrine, a long-standing precedent that generally compelled federal courts to defer to federal agency interpretations of ambiguous statutes within their jurisdiction.

Legal experts expect the decision to place greater checks on agency authority, which has long been argued to have been too far-reaching, placing undue burdens on employers who have often been barred from seeking redress in the courts.

Economic Development

OMA's operating budget priorities for economic development have initiated their administrative roll out:

- **Innovation Hubs:** Funding to foster innovation in manufacturing through incentivized collaboration amongst regional private sector leaders, academic institutions and state government has been distributed to Toledo to establish a Glass Manufacturing Hub and Dayton for the development of new digital technologies. OMA supported the establishment of these innovation hubs as a means to spur innovation in Ohio's legacy manufacturing centers.
- **All Ohio Future Fund:** In August, Governor Mike DeWine announced the first location for future economic development with support from the new All Ohio Future Fund, a fund supported by the OMA to establish mega-site ready infrastructure. \$15 million of the \$750 million fund will be directed to Defiance to establish a project ready property.

Manufacturing Technology Assistance Program

The OMA worked with Representatives Santucci and Demetriou to introduce House Bill 435, which creates The Ohio Manufacturing Technologies Assistance Program (MTAP). MTAP aims to assist small to mid-size manufacturers by providing grants of up to \$150,000 for investing in modern smart technologies, machinery, equipment, and training. MTAP is designed to enhance productivity, efficiency, and competitiveness in Ohio's manufacturing industry. The program requires applicants to undergo a technical assessment and be in good standing with the state. Ohio's Manufacturing Extension Partnerships will be leading the assessment process for new technologies. MTAP aligns with nationwide Manufacturing 4.0 initiatives, supporting

manufacturers to adopt automation, cybersecurity, robotics, and other innovative technologies, following successful models from states like Iowa and Indiana, initially funded with \$12,000,000 from the Ohio Department of Development. Ultimately, MTAP aims to empower businesses, drive growth, and ensure the resilience and success of Ohio's manufacturing sector in an evolving business landscape.

In June, OMA members testified before the Ohio House Finance Committee to support the bill. The OMA delegation included: Ethan Karp from MAGNET, John Holeman from TOSOH SMD, and Dale Foerster from Starr Manufacturing. That testimony can be found in today's meeting materials along with a draft letter of support to be sent to the Governor and members of the General Assembly. Let James Lee know if you would like to sign on or testify before members of the House committee in support.

Trump to Rollback Biden-Harris Environmental Regulations

The recent election of Donald Trump is likely to provide regulatory relief to manufacturers following years of unprecedented volumes of onerous and costly regulations being implemented by President Biden's EPA.

The Biden-Harris administration pursued an aggressive environmental regulatory agenda, creating significant challenges for manufacturers. The OMA has actively opposed the U.S. EPA's regulatory initiatives, which have driven up business costs by \$350 billion over the past four years and resulted in a 25% increase in total regulations—surpassing even the ambitious regulatory agenda of President Obama's eight years in office.

President-elect Donald Trump has nominated former New York Congressman Lee Zeldin to head the U.S. Environmental Protection Agency (EPA). Known for opposing climate-related legislation during his tenure, Zeldin has pledged to prioritize deregulation while maintaining basic environmental safeguards. Trump emphasized that Zeldin's leadership would foster U.S. energy dominance and economic growth.

Trump is expected to revisit and potentially roll back the Biden administration's strict national PFAS drinking water standards. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

State Issue 1 Defeated

State Issue 1, the constitutional ballot initiative creating an unelected redistricting commission was comfortably defeated by a margin of 53.8% to 46.2%.

The ballot issue would have implemented significant changes to the way legislative districts are created for the Ohio General Assembly and Ohio's 15 seats in the U.S. House of Representatives.

The proposal aimed to create a new redistricting commission comprised of unelected individuals who are unaccountable to voters. The members of the entity would have been chosen by a complex, convoluted selection process that included criteria giving priority to those without experience in Ohio government and political systems.

The OMA opposed Issue 1 on the grounds that it would have eroded Ohioans' ability to directly impact how legislative and congressional districts are created, while causing confusion and

resentment among voters and making it harder for minorities and historically underrepresented communities to be elected. You can find the OMA's press release outlining reasons for opposition in today's leadership materials.

Campaigns and Elections

The 2024 Ohio general election saw 69% voter turnout, driven by the presidential race in which Donald Trump won Ohio with 55%-44%, outperforming his national numbers and securing the state's 17 electoral votes. Republicans had much to celebrate on election night, securing significant down-ballot victories to complement their presidential win.

In the battle for Ohio's US Senate seat, Bernie Moreno defeated three-term incumbent Sherrod Brown in one of the most hotly contested races in the country, flipping a critical seat and contributing to a Republican majority in the Senate.

Republicans expanded their Ohio Supreme Court majority from 4-3 to 6-1, with decisive victories in all three contested seats for the bench.

Democrats made modest gains in statehouse races, flipping key battleground districts, but strong Republican legislative majorities remain intact in both chambers.

In battleground US House races, Democratic incumbents Greg Landsman, Emilia Sykes, and Marcy Kaptur all successfully defended their seats.

For a deeper dive into Ohio's general election results, you can find the OMA's 2024 election briefing in today's leadership materials.

DeWine Considers Options for Vance Replacement

Gov. Mike DeWine will appoint the replacement for Ohio's U.S. Senator JD Vance when Vance decides to step down now that he has been elected vice president.

The Dayton Daily News reports names that have been floated include term-limited state Senator Matt Dolan (R-Chagrin Falls), Secretary of State Frank LaRose, former GOP Party chair Jane Timken, Lt. Gov. Jon Husted and former presidential candidate Vivek Ramaswamy. Central Ohio Congressman Mike Carey, and Bowling Green State Senator, Theresa Gavarone, have also been rumored to be on the short list.

The Battle for Governor in 2026 Begins

The 2024 election is not the final act for political showdowns in Ohio. As statewide officeholders enter the final two years of their term-limited positions, Ohio Republicans are already positioning themselves for a competitive battle to succeed Governor Mike DeWine.

Leading the pack is Lt. Governor Jon Husted, widely regarded as the frontrunner. With unmatched name recognition and a formidable campaign war chest exceeding \$5 million, Husted starts the race with a significant financial edge. However, potential challengers within the party include Attorney General Dave Yost and State Treasurer Robert Sprague. While both lack Husted's financial resources, they may attract support from grassroots Republicans, particularly those aligned with the populist wave challenging perceived establishment figures like Husted, who served in the DeWine administration. Notably, DeWine's inability to secure a majority in the Republican primary during his 2022 re-election—despite a landslide general election victory—underscores potential hurdles for Husted in winning over the GOP base.

Adding intrigue to the race is the emergence of a potential dark horse: former presidential candidate and biotech entrepreneur Vivek Ramaswamy. Recently appointed by the Trump administration to chair the Department of Government Efficiency, Ramaswamy's considerable personal wealth could allow him to self-fund a campaign. His close ties to former President Trump, combined with the likelihood of a coveted endorsement, position him as a serious contender capable of shaking up the field and challenging the establishment narrative in Ohio politics.

On the Democratic side, speculation is growing about potential candidates with strong name recognition who could mount a formidable challenge to Republicans and disrupt Ohio's perceived "red state" trajectory following Trump's surge in popularity. Among the most notable names are former Senator Sherrod Brown, recently unseated in a high-stakes race; Tim Ryan, the former Congressman and U.S. Senate candidate who narrowly lost to J.D. Vance; and Dr. Amy Acton, Governor DeWine's former health director, who gained statewide prominence for her leadership during the COVID-19 pandemic. House Minority Leader, Allison Russo, has also been rumored to have interest and has demonstrated impressive political talent through her leadership in the caucus that also places her as a formidable opponent.

Ohio is bracing for a hotly contested and dynamic gubernatorial race, one that promises to shape the state's political landscape for the next decade.

Leadership News

[Click here for Leadership Community articles from previous Leadership Briefings](#)

Miscellaneous Legislation of Interest to Manufacturers

Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB2 STATE FUNDING-CAPITAL APPROPRIATIONS** (CUTRONA A, UPCHURCH T) To provide authorization and conditions for the operation of certain state programs, to make capital appropriations and reappropriations for the biennium ending June 30, 2026, to make other appropriations, and to declare an emergency.
Current Status: 6/28/2024 - **SIGNED BY GOVERNOR**; eff. immediately
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-2>
- HB16 ETHICS, FINANCIAL DISCLOSURE REFORM** (MERRIN D) To enact the Ethics and Financial Disclosure Reform Act to revise the law governing ethics and lobbying.
Current Status: 3/28/2023 - House Government Oversight, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-16>
- HB23 TRANSPORTATION BUDGET** (EDWARDS J) To make appropriations for programs related to transportation for the biennium beginning July 1, 2023, and ending June 30, 2025, and to provide authorization and conditions for the operation of those programs.
Current Status: 3/31/2023 - **SIGNED BY GOVERNOR**; eff. 3/31/23
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-23>
- HB27 COLLEGE COSTS, CAPITAL APPROPRIATIONS** (MATHEWS A, THOMAS J) To require state institutions of higher education to provide financial cost and aid disclosure forms, to make an appropriation for the Adoption Grant Program, and to make certain capital appropriations and reappropriations for the biennium ending June 30, 2026.
Current Status: 2/28/2024 - **PASSED BY SENATE**; Amended on Floor, Bill Vote 30-2
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-27>
- HB96 INCREASE MINIMUM WAGE** (JARRELLS D, MOHAMED I) To increase the state minimum wage.
Current Status: 6/25/2024 - House Commerce and Labor, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-96>
- HB144 AUGUST SPECIAL ELECTION** (MANCHESTER S) To allow a special election to be held in August for certain purposes and to make an appropriation.
Current Status: 4/27/2023 - House Government Oversight, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-144>
- HB179 VICARIOUS LIABILITY IN TORT ACTIONS** (MATHEWS A, STEWART B) Relative to vicarious liability in tort actions and to provide that the tolling of the limitations period during the defendant's absence or concealment does not apply to statutes of repose.
Current Status: 7/24/2024 - **SIGNED BY GOVERNOR**; eff. 90 days

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-179>

HB203 **TIMELY PAY OF CONTRACTORS** (ROEMER B, SWEENEY B) To require owners of private construction projects to timely pay contractors.

Current Status: 6/26/2024 - Senate Workforce and Higher Education, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-203>

HB205 **PROTECT OHIO WORKERS ACT** (SWEARINGEN D, PLUMMER P) To enact the "Protect Ohio Workers Act" regarding construction services performed under a contract at a stationary source.

Current Status: 11/14/2023 - Senate Energy and Public Utilities, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-205>

HB340 **EMPLOYEE MOBILITY GRANT PROGRAM** (PETERSON B, DOBOS D) To authorize an employee mobility grant program to be administered by the Director of Development and to make an appropriation.

Current Status: 6/18/2024 - House Economic and Workforce Development, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-340>

HB432 **TEACHING OF CAREER-TECH EDUCATION** (JONES D) Regarding the teaching of career-technical education.

Current Status: 11/19/2024 - Senate Education, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-432>

HB435 **MANUFACTURING TECHNOLOGIES GRANTS** (SANTUCCI N, DEMETRIOU S) To create the manufacturing technologies assistance grant program and make an appropriation.

Current Status: 6/18/2024 - **SUBSTITUTE BILL ACCEPTED**, House Finance, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-435>

HB460 **AUTOMATIC SEALING-CRIMINAL RECORDS** (HILLYER B, SEITZ B) To enact the Getting Rehabilitated Ohioans Working Act to allow for the automatic sealing of certain criminal records.

Current Status: 6/11/2024 - **SUBSTITUTE BILL ACCEPTED**, House Criminal Justice, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-460>

HB464 **WORKFORCE ASSISTANCE AFTER PUBLIC BENEFITS** (JARRELLS D, WILLIAMS J) To establish the 'A HAND UP' pilot program, to designate this act as the Actionable Help And New Dignity for Upward Progression (A HAND UP) Act, and to make an appropriation.

Current Status: 5/8/2024 - House Finance, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-464>

HB555 PUBLIC NUISANCE PROHIBITIONS (MATHEWS A) To prohibit certain public nuisance actions.

Current Status: 5/21/2024 - Referred to Committee House Civil Justice

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-555>

HB609 CAMPAIGN FINANCE LAW - FOREIGN NATIONALS (HILLYER B, HOLMES A) To modify the Campaign Finance Law regarding foreign nationals and statewide initiatives and referenda and to declare an emergency.

Current Status: 6/4/2024 - House Government Oversight, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-609>

HB610 CHILD CARE CRED PROGRAM (JOHNSON M) To establish the Child Care Cred Program and to make an appropriation.

Current Status: 6/20/2024 - House Finance, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-610>

HB632 REAL PROPERTY FORECLOSURES (DANIELS J) Relating to real property foreclosures.

Current Status: 11/19/2024 - **SUBSTITUTE BILL ACCEPTED**, House Civil Justice, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-632>

HB1001 CAMPAIGN FINANCE-FOREIGN NATIONALS, BALLOT ISSUES (SEITZ B) To modify the Campaign Finance Law regarding foreign nationals and ballot issues.

Current Status: 6/2/2024 - **SIGNED BY GOVERNOR**; eff. 9/1/24

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-1001>

HB1002 PRESIDENTIAL CANDIDATE DEADLINES-2024 ELECTION (DOBOS D) To delay the deadline for a major political party to certify its presidential and vice presidential candidates to the Secretary of State for the 2024 general election.

Current Status: 6/2/2024 - **SIGNED BY GOVERNOR**; eff. 9/1/24

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-1002>

HJR1 REQUIRE 60 PERCENT VOTE-CONSTITUTIONAL AMENDMENT (STEWART B) Proposing to amend Sections 1b, 1e, and 1g of Article II and Sections 1 and 3 of Article XVI of the Constitution of the State of Ohio to require a vote of at least 60% of the electors to approve any constitutional amendment and to modify the procedures for an initiative petition proposing a constitutional amendment.

Current Status: 4/19/2023 - **REPORTED OUT**, House Constitutional Resolutions, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HJR-1>

- SB16** **FOOD DONATIONS-LIABILITY PROTECTION** (WILSON S) To alter the law governing immunity from liability for donations of perishable food, to make changes relative to the rights of crime victims, and to declare an emergency.
Current Status: 7/7/2023 - **SIGNED BY GOVERNOR**; eff. 7/7/23
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-16>
- SB19** **NON-RECOURSE CIVIL LITIGATION** (WILSON S) To amend the law regarding the non-recourse civil litigation advance business.
Current Status: 12/6/2023 - **SUBSTITUTE BILL ACCEPTED**, Senate Judiciary, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-19>
- SB63** **ASBESTOS CLAIMS-DISCLOSURE REQUIREMENTS** (LANG G) To require a plaintiff in a tort action alleging an asbestos claim to file specified disclosures.
Current Status: 11/20/2024 - House Insurance, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-63>
- SB67** **FIRE, BUILDING CODE CHANGES** (CIRINO J, O'BRIEN S) To amend section 3737.83 and to enact section 3781.062 of the Revised Code relating to the State Fire Code and Building Code and to amend the version of section 3737.83 of the Revised Code that is scheduled to take effect December 29, 2023, to continue the provisions of this act on and after that effective date.
Current Status: 3/1/2023 - Senate Veterans and Public Safety , (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-67>
- SB73** **DIGITAL FAIR REPAIR ACT** (BLESSING III L) To enact the Digital Fair Repair Act.
Current Status: 3/28/2023 - Senate Financial Institutions and Technology, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-73>
- SB146** **INCREASE STATE MINIMUM WAGE** (SMITH K, CRAIG H) To increase the state minimum wage.
Current Status: 9/27/2023 - Senate Workforce and Higher Education, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-146>
- SB198** **RELEASED INMATES-ID CARDS** (LANG G, MANNING N) To provide inmates with state identification cards and documentation upon their release relating to work experience, education, and trade skills.
Current Status: 11/12/2024 - Referred to Committee House State and Local Government
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-198>

SB215 **CAMPAIGN CONTRIBUTIONS-PROHIBIT FOREIGN NATIONALS** (GAVARONE T, MCCOLLEY R) To prohibit foreign nationals from making contributions or expenditures regarding ballot issue campaigns.

Current Status: 11/12/2024 - Referred to Committee House Government Oversight

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-215>

SB273 **ESTABLISH CHILD CARE CRED PROGRAM** (REYNOLDS M) To establish the Child Care Cred Program and to make an appropriation.

Current Status: 11/13/2024 - Senate Workforce and Higher Education, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-273>

SJR2 **CONSTITUTIONAL CHANGE-60 PERCENT REQUIREMENT** (MCCOLLEY R, GAVARONE T) Proposing to amend Sections 1b, 1e, and 1g of Article II and Sections 1 and 3 of Article XVI of the Constitution of the State of Ohio to require a vote of at least 60% of the electors to approve any constitutional amendment.

Current Status: 5/10/2023 - Consideration of House Amendments; Senate Does Concur, Vote 26-7

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SJR-2>

The OMA is exploring opportunities for members to participate in 2025 Presidential Inaugural events. **Few details are known at this time, however more details will be announced in the coming week or two.**

Schedule of Events - Presidential Inauguration

The 60th Presidential Inauguration is scheduled for January 20, 2025. Below is an outline of traditional events. As plans develop, we will update members with more information, including how to participate in Ohio-specific gatherings and nationwide inaugural traditions.

January 19

Customarily the Ohio Society hosts “Ohio Night” preceding inauguration day. Ohio Night is a festive after-dinner party accommodating hundreds of people with an Ohio connection. There is speculation Vice President-elect Vance could make an appearance. Ohio Night has not yet been scheduled. While January 19 is a possibility, it could also be held Jan 18 or Jan 21. Keep an eye out for more details. Ohio Night is a great place to network with Ohio party leaders.

January 20, 2025

January 20 - MORNING

Congressional offices and Senate offices sometimes host breakfasts and coffees. Call your member of Congress or U.S. Senate staff to find out if they are aware of such an event. A word of caution. These events are frequently oversubscribed.

January 20 - LATE MORNING

The inauguration ceremony takes place on the Mall side of the U.S. Capitol. Tickets are available from Congressional offices. A word of caution: tickets are frequently hundreds if not more yards away from the actual ceremony. A non-ticket standing room may be available further down the Mall. Video monitors are customarily available to see the action thousands of feet away. January is not warm in DC so dress accordingly.

Swearing-In Ceremony (12 pm ET): The president-elect and vice president-elect will take the oath of office at the U.S. Capitol, located at the east end of the National Mall. The ceremony is broadcast and livestreamed on numerous media outlets worldwide.

Pass in Review: A long-standing inaugural tradition, the pass in review allows our military to recognize their new commander-in-chief.

Presidential Escort (after 3 pm ET): The newly sworn-in president will be escorted from 15th Street to the White House on park land. Every branch of the U.S. military will be represented in the escort, which will include performances by military bands.

January 20 AFTERNOON

The Presidential motorcade departs the Capitol and heads to the White House. Parade watching is available on Pennsylvania Avenue. Many offices along Pennsylvania Avenue will host parade watching parties.

January 20 EVENING

Multiple balls and gala celebrations are held the evening of the inauguration. Customarily, balls and galas are hosted by a combination of states and most carry healthy ticket prices for entry, together with opportunities for boxed areas. At this time, no published information has been produced but feel free to keep in touch with Ohio Republican Party for the latest.

Lodging

Customarily, the Ohio GOP will have an official hotel block reserved for leading party faithful. This is a good base of operations to network with leading Ohio figures. Lodging is hard to come by with hotels already mostly reserved. Rates are sky high. Reserving near the convention center is usually a good option.

Ohio Inaugural Gala

2025

A SALUTE TO
PRESIDENT DONALD J. TRUMP
VICE PRESIDENT-ELECT JD VANCE
AND THE OHIO TRUMP/VANCE LEADERSHIP TEAM

Sunday, January 19, 2025

7:00 PM | LOCATION TBC

GALA SPONSORSHIP OPPORTUNITIES

Gala Underwriter - \$100,000 Sponsorship Level

- Top billing at Ohio Inaugural Gala;
- 10 VIP and 50 general tickets to Ohio Inaugural Gala;
- Sponsor representatives act as hosts/greeters at event;
- Recognition on all Gala materials (Invitation, Credentials, Signage);
- Guaranteed reservations for up to 8 rooms at Capital Hilton;
- Invitation to all Ohio Inaugural Activities for 8 people;
- 8 tickets to luncheon on January 19th with TBC Special Guests.

Gala Sponsor - \$50,000 Sponsorship Level

- Shared billing at Ohio Inaugural Gala;
- 5 VIP and 25 general tickets to Ohio Inaugural Gala;
- Sponsor representatives act as greeters at event;
- Recognition on all Gala materials (Invitation, Credentials, Signage);
- Guaranteed reservations for up to 4 rooms at Capital Hilton;
- Invitation to all Ohio Inaugural Activities for 4 people;
- 4 tickets to Sponsor luncheon on January 19th with TBC Special Guests

Gala Patron - \$25,000 Sponsorship Level

- Recognition at Ohio Inaugural Gala;
- 2 VIP and 15 general tickets to Ohio Inaugural Gala;
- Sponsor representatives act as greeters at event;
- Recognition on all Gala materials (Invitation, Credentials, Signage);
- Guaranteed reservations for up to 2 rooms at Capital Hilton;
- Invitation to all Ohio Inaugural Activities for 2 people;
- 2 tickets to Sponsor luncheon on January 19th with TBC Special Guests

Please return the attached sponsor commitment form to secure your sponsorship. All Ohio Inaugural Gala sponsorships will be filled on a first come, first served basis. Hotel accommodations at the Capital Hilton have a 3-night minimum at a rate of \$799 per night (plus taxes and fees.)

The Ohio Inaugural Gala will not benefit any candidate, party or political action committee, thus corporate sponsorships are permissible under state and federal election law. Gala sponsorships are not considered political contributions under federal or state law and therefore, there are no contribution limits or reporting requirements. N.K Baur & Associates has taken steps to comply with all state and federal campaign finance, ethics and lobbying regulations.

Ohio Inaugural Gala

2025

A SALUTE TO
PRESIDENT DONALD J. TRUMP
VICE PRESIDENT-ELECT JD VANCE
AND THE OHIO TRUMP/VANCE LEADERSHIP TEAM

GALA SPONSORSHIP COMMITMENT FORM

_____	_____
Company Name	Contact Name
_____	_____
Address	Email
_____	_____
City, State, Zip	Mobile Phone

SPONSOR COMMITMENT LEVEL:

- Gala Underwriter - \$100,000 Sponsorship Level
- Gala Sponsor - \$50,000 Sponsorship Level
- Gala Patron - \$25,000 Sponsorship Level

HOTEL RESERVATIONS

Please indicate here how many rooms you are requesting for the Capitol Hilton: _____

*Hotel reservations at the Capital Hilton require a 3 night minimum.
Room rate is \$799 per night (plus applicable taxes and fees)*

IF YOU HAVE QUESTIONS, PLEASE CONTACT NATALIE BAUR AT 614-563-1538 OR
NATALIE@NKBAURASSOCIATES.COM

Note: All event sponsorships will be filled on a first-come, first serve basis.

Please return this form at your earliest convenience to:

NK Baur & Associates – Ohio Inaugural Gala

9856 Archer Lane

Dublin, OH 43017

Email: natalie@nkbaurassociates.com - Fax: 614-923-7811

Checks may be made payable to: "NK Baur & Associates, Inc. - Ohio Inaugural Gala."

February 1, 2024

VIA ELECTRONIC SUBMISSION (<https://www.regulations.gov>)

Director Laurie E. Locascio
National Institute of Standards and Technology
100 Bureau Drive
Gaithersburg, MD 20899

Re: Response to Docket No.: 230831-0207; Document Citation: 88 FR 85593

Dear Director Locascio:

On behalf of The Ohio Manufacturers' Association (OMA), I appreciate the opportunity to respond to the National Institute of Standards and Technology's (NIST's) December 8, 2023, Request for Comment (RFC) on the *Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights*.

For more than 100 years, the OMA has served as a member-supported, member-driven advocacy organization dedicated to protecting and growing manufacturing in the great state of Ohio. Our members work tirelessly to create jobs and enhance the quality of life across the state.

The OMA is a strong advocate for the advancement of modern manufacturing – the leading contributor to Ohio's GDP. Our diverse membership – spanning sectors from automotive manufacturing to the burgeoning semiconductor industry – relies heavily on intellectual property (IP) to drive innovation and remain at the forefront of the global economy.

As written, the framework's proposed changes to the exercise of Bayh-Dole's "march-in" rights would undermine these efforts.

The Bayh-Dole Act of 1980 has played a pivotal role in fueling manufacturing growth in Ohio by decentralizing and facilitating the licensing of government-funded university research to the private sector for commercialization. Since the law's passage, the public has reaped the benefits of tens of thousands of innovations, ranging from touch-screen technology to advanced ultrasound imaging.

The proposed framework would upend this 44-year-old innovation pipeline by misusing the Bayh-Dole Act's march-in provision. Under the framework, the government would be allowed to march-in and relicense patents on federally-supported inventions if it deems the products too expensive.

This proposed authority lacks a [legal foundation](#). The government's ability to march-in on patents was established to ensure government-supported innovations were commercialized. The authority also allows the government to step in if a critical public need is not being met or if promises of domestic development are ignored. There is no basis for the government to use march-in rights as a price-setting mechanism.

The OMA is deeply concerned by the prospect of exercising march-in authority in this manner, as it would jeopardize much-needed manufacturing investments, innovations, and jobs in Ohio and nationwide.

The proposed framework would place a shadow of uncertainty over the innovative biotechnology industry, where Ohio has become an emerging [leader](#). Our members operating in this industry face [billions in investment](#) requirements and years of effort to bring a single drug to market. Using government "march-in" to commandeer the intellectual property critical to this process would be nothing short of theft.

Furthermore, the proposed redefinition of march-in rights is not limited to drugs – it is technology-agnostic. The framework's price-setting powers would equally apply to green energy generation, aviation, and microchips – any avenue of innovation that benefited from even a penny of government funding in the development of patented technology.

Such misuse and expansion of march-in authority would have a chilling effect on any and all manufacturing of products linked to federal funding. If the government can, at any point, repossess the patent based on an arbitrary pricing standard, our members would hesitate to license, develop, and manufacture the next breakthrough technology. Necessary but steep investments in innovation are predicated on the security of the patent, and the proposed framework would erode that confidence.

The proposed framework also exposes Ohio manufacturers – and manufacturers across the country – to potentially adversarial campaigns abroad. Nothing would preclude foreign competitors from petitioning the U.S. government to invalidate our members' patents for the purpose of flooding the market with cheaper copies. Our members would be forced to allocate significant resources to defend themselves against attempts to steal their IP and the fruits of their investments in manufacturing.

The uncertainty introduced by this framework would disrupt the entire innovative ecosystem in the United States, stifling research and development) ventures and threatening millions of manufacturing jobs.

To help our manufacturers and economy, we urge you to withdraw this proposed framework.

Sincerely,



James Lee
Director of Public Policy
Ohio Manufacturers' Association



BEFORE THE HOUSE FINANCE COMMITTEE
REPRESENTATIVE JAY EDWARDS, CHAIRMAN

TESTIMONY OF
ETHAN KARP, MAGNET
OMA PARTNER

June 18, 2024

HB 435 - Proponent Testimony

Chairman Edwards, Ranking Minority Member Bride Sweeney and members of the House Finance Committee, thank you for the opportunity to testify in support of House Bill 435, sponsored by Representatives Santucci and Demetriou, which would create the Manufacturing Technology Assistance Grant Program (MTAP).

My name is Ethan Karp and I am representing MAGNET as a proud partner of the Ohio Manufacturers Association. MAGNET is both a Manufacturing Extension Partnership (MEP) and an Industry Sector Partnership (ISP). We support an important piece of Ohio's manufacturing ecosystem.

MEPs help Ohio's small and medium-sized manufacturers to increase sales, create jobs and generate cost savings through technological innovation, workforce training and improved management practices.

ISPs help fund collaboration between businesses, education and training providers, and other community leaders who are invested in improving their region's workforce. These collaborations create a more skilled workforce and benefit both Ohioans and Ohio's job creators.

As you know, small and medium-sized manufacturing companies are critical to Ohio, representing 90% of job growth for high-paying jobs. For every new manufacturing job that is created or retained, three to five supporting jobs are also created. This is why investing in this space is so important to Ohio's future.

House Bill 435 creates the **Manufacturing Technology Assistance Grant Program (MTAP)** that will provide an opportunity for manufacturers with under 500 employees to apply for \$150,000 in grant funding for equipment upgrades and smart technology integration.

Through collaboration with Manufacturing Extension Partnerships (MEPs) like ours in Northeast Ohio, MTAP will offer manufacturers access to expert guidance, further bolstering their ability to navigate the complexities of technology integration. In the past five years, MAGNET has served 442 manufacturers in Northeast Ohio, helping those companies achieve the following results:

- \$785.7 million in increased/retained sales
- \$100.2 million in cost savings
- \$329.7 million of investment in their operations
- Create or retain 4,596 manufacturing jobs

Much of MAGNET's work is focused on helping manufacturers implement Industry 4.0 and advanced technologies. A few examples include:

- **M-7 Technologies** (Youngstown, OH) provides precision measurement solutions to a wide range of industries through metrology inspection, laser scanning, and reverse engineering services. M-7 has reported \$30M in increased or retained sales, 40 new and retained jobs, and \$5M in new investments thanks to MAGNET. M-7 CEO Michael Garvey says: "MAGNET is our go-to resource for growth and technology implementation. They supported integration of our best-in-class software and hardware, which resulted in production increases of more than 75%."
- **Haltec Corporation** (Leetonia, OH), a leading manufacturer of specialty tire valve systems and pressure inflation solutions, needed to automate the assembly of valves to keep up with demand. MAGNET designed, built, and installed two tire inflation valve automated machines with Industry 4.0 technologies, including cobots and digital data. These custom machines have allowed Haltec to keep up with business growth and increase revenue. Haltec now produces 80 percent of its high-volume products through automatic valve assembly; more than 250,000 pieces were processed during the first year of the machines' operation. Haltec vice president of IT Jeff Kovacich says: "Automation is vital for the company, particularly the use of a valve assembly machine for parts previously produced entirely by hand. Though handcrafting is still central to operations, technology is key to production improvements."
- **Alloy Precision Technologies** (Mentor, OH) specializes in custom and standard manufacturing. MAGNET has completed multiple Industry 4.0 products with Alloy, with a reported impact of \$10 million increased and retained sales, 28 new and retained jobs, and \$4.5 million in new investment. Alloy President & CEO Michael Canty says: "MAGNET is our innovation and technology partner driving growth and bottom line results. Over the past five years, we have implemented advanced technologies including cobot machine tending, real-time machine monitoring and part inspection, proprietary process equipment, and cybersecurity."

Drawing inspiration from successful initiatives in neighboring states like Iowa and Indiana, MTAP has the potential to catalyze transformative growth and innovation across Ohio's manufacturing landscape.

We urge your support for this proposal, recognizing its significance in driving economic competitiveness, fostering innovation, and ensuring the continued success of Ohio's largest industry - manufacturing.

Thank you for your consideration of this program. I am happy to answer any questions you may have about this proposal or our organization.

RELEASE: NO ON ISSUE 1: Ohio Manufacturers' Association Urges Ohioans to Oppose Proposed State Constitutional Amendment

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PROTECTING & GROWING OHIO MANUFACTURING

For Immediate Release:

NO ON ISSUE 1: Ohio Manufacturers' Association Urges Ohioans to Oppose Proposed State Constitutional Amendment

(COLUMBUS, OH) – Today the Ohio Manufacturers' Association (OMA) urged Ohioans to vote “NO” on Issue 1, a proposed state constitutional amendment on the Nov. 5 statewide ballot that would change the way that districts are created for the Ohio General Assembly and Ohio's 15 seats in the U.S. House of Representatives.

The OMA raised concerns that Issue 1 would erode Ohioans' ability to directly impact how legislative and congressional districts are created, create confusion and resentment among voters and make it harder for minorities and historically underrepresented communities to be elected.

“After a lengthy, exhaustive process of review, consideration and debate, OMA leadership, comprised of manufacturing executives, came down soundly against Issue 1 and is urging Ohioans to oppose it. The current process is certainly one with flaws, but it's rooted in accountability, expertise and inclusivity, all characteristics that would be tossed out the window by Issue 1. We need to go forward, not backward, and the OMA urges Ohioans to say, ‘No,’ to this flawed proposal,” said OMA President Ryan Augsburger.

Over the past month, the OMA conducted a thorough review of proposed Issue 1. OMA leadership, comprised solely of manufacturing company executives, reviewed the current system for creating districts and the proposed changes to it, and they studied and discussed a detailed analysis prepared by OMA's legal counsel. This internal deliberation was lengthy, thorough and genuine. Its outcome was not a foregone conclusion. After

significant consideration, this process led to the decision that the OMA should urge Ohioans to oppose Issue 1 and should actively support efforts to defeat it.

Elements of Issue 1 that the OMA found particularly problematic include:

- **No expertise, no accountability:** The proposed ballot initiative would create a new government entity comprised of unelected people who are unaccountable to voters. The members of the new entity would be chosen by a complex, convoluted selection process that includes criteria giving priority to those without experience in Ohio government and political systems.
- **Control by nameless, faceless court staff:** The non-expert, unelected body would be assisted by “special masters” employed by the Supreme Court of Ohio. Inevitably these unelected Supreme Court employees would emerge as the real power in the process and steer the entity’s outcomes according to their own beliefs and views, with no ability for Ohio voters to hold them accountable for their decisions or actions.
- **A silencing of minority voices:** Criteria laid out in the proposal for how to create legislative and congressional districts would have the effect of making it harder for racial minorities to be elected to the General Assembly or one of Ohio’s 15 seats in the U.S. House of Representatives. This is exactly what happened in Michigan, which approved a similar 13-member independent commission and process. Three federal judges ruled that more than 12 state legislative districts in the Detroit area were inappropriately racially gerrymandered to the disadvantage of minority candidates and voters. In fact, it is questionable if Ohio’s three African American members of Congress would have been elected to their seats if Issue 1 had been in effect during Ohio’s last general election. At a time when Ohio and the nation should be seeking to reduce political divisiveness, Issue 1 would be a step backward and lead to more division and polarization.
- **A solution worse than the problem:** While the existing process for drawing districts is controversial, it was created by elected officials and mandates representation and inclusion of members of the minority political party. Ohio voters seeking to change this process have absolute freedom to seek change by changing their elected leaders and replacing them with new, different ones, either from the same political party or another. The OMA has its own concerns about the current process for creating districts and would encourage leaders to review it and seek changes that foster increased competition. However, replacing the current system with one that is permanently beyond the reach of voters to change, and which is in the hands of unelected non-experts controlled behind the scenes by nameless, faceless staff of the Supreme Court of Ohio, is a step backward and creates a worse situation than the current one.

###

The Ohio Manufacturers' Association is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$133 billion annually to the economy. Visit ohiomfg.com, or follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).



Post-Election Report Wednesday, November 6, 2024

Overview and Turnout

The 2024 Ohio general election saw a high turnout of 69.69% as of this morning, largely driven by the contentious presidential race.

At the top of the ticket, President Trump won Ohio by a strong 55%-44% margin, while Republican U.S. Senate Candidate Bernie Moreno defeated incumbent Sherrod Brown, which marks a significant Republican gain in securing their majority in the federal chamber.

State Issue 1, an OMA-opposed initiative that aimed to alter Ohio's redistricting process, was overwhelmingly rejected by Ohio voters.

Republicans had plenty to celebrate in the elections for state offices, with significant victories on the Ohio Supreme Court, where they expanded their majority to 6-1. In statehouse races across Ohio, Democrats managed some modest gains in their respective chambers, but strong Republican majorities remain firmly in place.

Visit the Ohio [Secretary of State website](#) for the unofficial vote tallies.

Ohio Goes for Trump for President

Ohioans overwhelmingly returned President Trump to the White House together with his Ohio-native running mate, Senator JD Vance. A decisive 55%-44% victory secured the state's 17 electoral votes for the GOP. Trump's margin in Ohio exceeded his national performance, where he currently leads with 51%, though some states like Arizona and Nevada are still counting votes. As in 2020, rural Ohio and the Mahoning Valley played a crucial role in boosting the Republican ticket.

National polls leading up to the election had shown Trump with a comfortable lead in Ohio, reflecting the state's consistent Republican trend since 2016, with the notable exception of Democratic Senator Sherrod Brown's popularity. Pollsters had predicted a victory margin for Trump ranging from 6 to 10 points, but their forecasts fell short again, demonstrating the consistent trend of under-polling Trump voters.

U.S. Senate

In one of the nation's most hotly contested U.S. Senate races, Bernie Moreno defeated three-term incumbent Senator Sherrod Brown by a narrow 50.2% to 46.4% margin.

This race became the most expensive non-presidential election in U.S. history. Many analysts had predicted this outcome, suggesting that Moreno's low name recognition would require strong support from former President Trump to secure his victory.

Moreno's victory was part of a series of Republican gains in Ohio and across the country, securing a GOP majority in the U.S. Senate.

State Issue 1

State Issue 1, the constitutional ballot initiative creating an unelected redistricting commission was comfortably defeated by a margin of 53.8% to 46.2%.

The ballot issue would have implemented significant changes to the way legislative districts are created for the Ohio General Assembly and Ohio's 15 seats in the U.S. House of Representatives.

The proposal aimed to create a new redistricting commission comprised of unelected individuals who are unaccountable to voters. The members of the entity would have been chosen by a complex, convoluted selection process that included criteria giving priority to those without experience in Ohio government and political systems.

The OMA opposed Issue 1 on the grounds that it would have eroded Ohioans' ability to directly impact how legislative and congressional districts are created while causing confusion and resentment among voters and making it harder for minorities and historically underrepresented communities to be elected.

Ohio's process for drawing legislative and congressional lines isn't perfect, but Issue 1 was a cure worse than the disease, and Ohio's manufacturers welcome its rejection. Going forward, we encourage all stakeholders to work together on constructive improvements that can help put conflict on this issue to rest. Our energies are needed on critical issues such as improving our economy, protecting and strengthening our free market in electricity, and improving our workforce.

Supreme Court of Ohio

Three seats on the Supreme Court of Ohio were contested. Republican Justice Joe Deters (incumbent), Megan Shannahan, and Dan Hawkins defeated incumbent Democrat Justices Melody Stewart and Michael Donnelly as well as Lisa Forbes.

This decisive win gives Republicans unprecedented dominance on Ohio's Supreme Court, expanding their control from a 4-3 majority to 6-1. Justice Jennifer Brunner will be the lone remaining Democrat on the bench.

Ohio's Congressional Seats

In Ohio's competitive congressional races, Democrat incumbents Greg Landsman, Marcy Kaptur, and Emilia Sykes lead against Republican challengers, with Landsman securing re-election and the other two races remaining too close to call.

- **1st Congressional District (Cincinnati area):** Incumbent Democrat Greg Landsman won re-election with 54.4% of the vote, defeating Republican challenger Orlando Sonza. Landsman, first elected in 2022 after unseating Republican Steve Chabot, emphasized local priorities like lowering costs for Ohio families.
- **9th Congressional District (Toledo area):** Democrat Marcy Kaptur, the longest-serving woman in Congress, defeated Republican challenger Derek Merrin 48.1% to 47.8%, with Libertarian Tom Pruss securing 4%. This seat was considered a potential flip for Republicans after recent redistricting.

- **13th Congressional District (Akron area):** Incumbent Democrat Emilia Sykes defeated Republican Kevin Coughlin 51.5% to 48.5% in one of the country's most competitive districts. Sykes previously served in the Ohio House, where she was minority leader for two years.

Ohio Senate

In Ohio's State Senate races, Rep. Willis Blackshear (D) flipped the 6th Senate District in the newly redrawn Dayton area, while incumbents Sen. Jerry Cirino (R) in the 18th District and Rep. Tom Patton (R) in the 24th District both secured wins against Democratic challengers. With the final results in, the Senate Republican majority saw a net loss of two seats, while still maintaining a strong majority holding 24 of the 33 seats in the upper chamber.

- **6th Senate District (Dayton area, Montgomery County):** Rep. Willis Blackshear (D-Dayton) won the newly redrawn 6th Senate District with 52% of the vote, defeating State Board of Education member Charlotte McGuire (R). This district, traditionally Republican, now includes most of the metro Dayton area following the 2023 redistricting process.
- **18th Senate District (Kirtland area, Cuyahoga and Lake County):** Incumbent Sen. Jerry Cirino (R-Kirtland) secured re-election in the 18th Senate District with 54% of the vote against environmental lawyer Katie O'Neill (D). Cirino, a former Lake County commissioner and business owner, first took office in 2020.
- **24th Senate District (Strongsville area, Cuyahoga County):** Rep. Tom Patton (R-Strongsville) defeated Sue Durichko (D) with 54% of the vote to win the 24th Senate District seat. Patton, a longtime state legislator, has alternated between Ohio's House and Senate since 2002, while Durichko serves on the Parma City Council and is a geriatric nurse.

Ohio House

All 99 Ohio House of Representatives seats were up for election. House terms are two years. House Democrats secured key wins on Tuesday, flipping battleground seats including District 10 (Columbus), District 11 (Hilliard), and District 41 (Oregon). Though democrats can hang their hats on these new seats, the republican majority in the House remains strongly intact. With a net loss of three seats for House Republicans, their majority now stands at 64-35.

Results for the most competitive House races are listed below:

- **10th House District (Columbus area):** Mark Sigrist (D) defeated Brian Garvine (R) 52% to 48%. Sigrist, a Grove City Council member and retired Honda accountant, won after Rep. Dave Dobos (R) withdrew from re-election and Garvine won the GOP nomination.
- **11th House District (Hilliard area):** Crystal Lett (D) defeated Kunze (R) 52% to 48% in a rematch of their 2020 Senate race. Lett, with a background in financial services and

community organizing, won against Kunze, a former state senator seeking a return to the House.

- **14th House District (Parma area):** Rep. Sean Brennan (D) defeated David Morgan (R) 58% to 42%. Brennan won his second term after the district was made slightly less favorable to Democrats following 2023 redistricting.
- **15th House District (North Olmsted area):** Chris Glassburn (D) defeated Aaron Borowski (R) 54% to 45%. Glassburn, a North Olmsted City Council member and former aide to Armond Budish, won the race to replace Rep. Richard Dell'Aquila (D), who was redistricted out of the district.
- **17th House District (Strongsville area):** Former Rep. Mike Dovilla (R) defeated Jessica Sutherland (D) 55% to 45%. Dovilla, seeking a return to the House after serving from 2011-2017, won the seat vacated by term-limited Rep. Tom Patton (R).
- **23rd House District (Lake County area):** Rep. Dan Troy (D) defeated Tony Hocevar (R) 47% to 53%. Troy, a former seven-term House member who returned in 2020, won against Hocevar, a construction worker and past Ohio House candidate.
- **27th House District (Cincinnati area):** Rep. Rachel Baker (D) defeated Curt Hartman (R) 56% to 44%. Baker, a nurse researcher and first-term representative, won re-election against Hartman, a former Hamilton County judge.
- **28th House District (Cincinnati area):** Karen Brownlee (D) defeated Jenn Giroux (R) 56% to 44%. Brownlee, a newcomer to elected office, won against Giroux, a former 2022 candidate for the 27th House District.
- **31st House District (Cuyahoga Falls area):** Roemer (R) defeated Harris (D) 53% to 47%. Roemer, seeking a fourth term, successfully defended his seat against Harris, a social worker and member of the Cuyahoga Falls City Schools Board of Education.
- **34th House District (Akron area):** Derrick Hall (D) defeated Adam Bozic (R) 53% to 47%. Hall, a JAG officer in the U.S. Army Reserve and healthcare executive, won the race to replace Rep. Casey Weinstein (D) who ran for Ohio Senate.
- **35th House District (Chagrin Falls area):** Rep. Steve Demetriou (R) defeated Mark Curtis (D) 53% to 47%. Demetriou, a first-term representative, and West Point graduate won against Curtis, an education professional and former school board member.
- **36th House District (Kettering area):** Rep. Andrea White (R) defeated Rose Lounsbury (R) 52% to 48%. White, first elected in 2020, won re-election in this slightly more Republican district against Lounsbury, an author and "personal simplicity coach."
- **41st House District (Oregon area):** Erika White (D) defeated Josiah Leinbach (R) 61% to 39%. White, president of the Communications Workers of America Local 4319, flipped the seat after Rep. Josh Williams (R) was moved to a different district due to redistricting.

- **49th House District (Canton area):** Rep. Jim Thomas (R) defeated Krista Allison (D) 52% to 48%. Thomas, a real estate investor and former professional tennis player, successfully defended his seat in this slightly Republican-leaning district.
- **52nd House District (North Ridgeville area):** Rep. Gayle Manning (R) defeated Genevieve Flieger (D) 57% to 43%. Manning, a three-term House representative and former state senator, won against Flieger, a project specialist at Second Harvest Food Bank.
- **64th House District (Mahoning Valley area):** Rep. Nick Santucci (R) defeated Lauren Matthews (D) 56% to 44%. Santucci, in his first term, defended his seat in a district that became slightly less Democratic following the 2023 redistricting process.

Bottomline

The trend of increasing Republican support in Ohio over the past decade shows no signs of slowing down. This cycle, Republicans strengthened their position across key races, including a decisive victory for President Trump, who carried the state with a 55%-44% margin. The GOP also secured substantial gains in statewide judicial elections, expanding their dominance on the Ohio Supreme Court to a 6-1 majority. While Democrats managed some gains in statehouse races, particularly in local districts, Republican supermajorities remain firmly intact. This election further solidifies Ohio's status as a reliably red state, with continued strong support for Republican candidates and policies, despite occasional challenges in certain urban and battleground districts.

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Ohio House Speaker Jason Stephens ends bid to keep gavel in 2025



- [Jeremy Pelzer, cleveland.com](https://www.cleveland.com)

COLUMBUS, Ohio—Ohio House Speaker Jason Stephens announced Monday he will not seek another two years as speaker, bringing an abrupt end to his months-long, behind-the-scenes leadership fight with outgoing Ohio Senate President Matt Huffman.

The decision by Stephens, a Lawrence County Republican, makes it far more likely that Huffman, a Lima Republican, will be elected next January as speaker, a job that brings enormous power to determine which bills pass the legislature and which fail.

However, it appears Huffman won't be unopposed: state Rep. Tim Barhorst, a Shelby County Republican, confirmed Monday that he's working to line up support ahead of Wednesday's House GOP caucus leadership vote, when Republican lawmakers will figure out behind closed doors who has the most support for speaker from within their caucus.

If Huffman, a conservative Republican, is elected speaker, he could serve as long as eight years before he's term-limited at the head of a potentially united House GOP supermajority. With state Sen. Rob McColley, a Northwest Ohio Republican and a Huffman acolyte, set to take over as Senate president next year, the door could open even wider for a range of conservative bills to pass on topics that affect millions of Ohioans, from expanding eligibility for school vouchers to abolishing the state income tax.

Stephens, speaking at an Ohio Statehouse press conference, didn't directly say why he's dropping out of the running for speaker at the last moment. When Stephens was asked if he spoke to Huffman over the weekend, he declined comment.

Stephens said he intends to participate in the House Republican caucus vote on Wednesday, though he wouldn't say how he he plans to vote.

"We'll see what happens in the next 48 hours," he said. "I'm sure there will be a lot of people who are interested in running for speaker."

Barhorst, in an interview following Stephens' announcement, said he intends to challenge Huffman for speaker during Wednesday's caucus meeting.

“I think my vision for Ohio is different than President Huffman,” said Barhorst, a restaurant owner and financial planner who was elected to a second House term earlier this month. “I feel like we have a special moment in Ohio history to kind of push a more aggressive agenda for change. ...We(‘ve) got multiple issues -- healthcare, energy, property taxes, school funding. I mean, it just keeps going on and on. And I just don’t feel like the Senate model that was over there was proactive. And I felt like when the House was proactive, the Senate just blocked everything.”

When Barhorst was asked to name a specific piece of legislation that he would be more aggressive in pushing, he mentioned [House Bill 49](#), a hospital price transparency bill he cosponsored this session that passed the House but [was gutted in the Senate](#). Barhorst said he hopes to attract support from, among others, newly elected freshmen lawmakers, as well as “a bunch of disaffected members who are all mad at each other and will never vote for another.”

“There’s a path there to earn those votes, and I’ll just have to make those calls,” Barhorst said. “I got the relationships. I talk to everybody, and I think I’m one of the more respected, well-respected members in the chamber.”

State Rep. Ron Ferguson, a Jefferson County Republican who has also been thinking about vying for the speaker’s job, said just prior to the interview with Barhorst that he would not run if Barhorst entered the ring.

“The way that he’s been able to stand on the right side of our caucus fracture over the last two years and do the right principled thing while still being able to get work done. ... I mean, he’s just really done all the things that you look for in a leader,” Ferguson said of Barhorst.

Senate GOP spokesman John Fortney, asked for comment on Huffman’s behalf, declined to comment on Stephens’ announcement. “Strictly House business,” Fortney wrote in a text.

Republicans will start next session with a dominant 65 of 99 House seats. Traditionally, the entire caucus unites behind the winner of the GOP-only leadership vote when selecting the speaker in a House floor vote the following January.

That tradition has been upended during two recent sessions, as both Stephens and Larry Householder, a Perry County Republican now serving a 20-year prison sentence for selling legislation, were each elected speaker [with votes from House Democrats](#) and [only a minority of their fellow Republicans](#).

However, several Republicans say their caucus appears much less willing this time around to repeat such a scenario, [given the concessions made to Democrats](#) and [the conservative blowback that Stephens and his supporters faced](#).

Stephens won the speakership last year with the support of only 21 other Republicans. Just 11 of them – including himself – will still be in the House next year, with the others either retiring, moving to the state Senate, [losing their primaries to pro-Huffman candidates](#), or (in the case of ex-state Rep. Bob Young) [resigning amid domestic-violence charges](#).

Huffman and Stephens are both conservative Republicans, and the power struggle between them has been more about personality and power than about ideology. However, as speaker, Stephens has held up -- or at least delayed -- several high-profile bills championed by Huffman, including [changes to Ohio’s new recreational marijuana law](#) and [sweeping reforms to state colleges and universities aimed at curbing liberal influence on campus](#).

[Read Online](#)



November 19, 2024

MIDDAY UPDATE

Barhorst Courts Support In Speaker Bid

[Rep. Tim Barhorst](#) on Tuesday was working to generate support in his bid to challenge Senate [President Matt Huffman](#) for the speaker's gavel.

"I'm running an active campaign right now," the Fort Loramie Republican said in an interview.

Barhorst's bid to recruit backers from the incoming Republicans of the 136th General Assembly comes one day before the caucus is to meet behind closed doors for an informal leadership vote.

Barhorst said he planned to jump in the race as a third candidate until House [Speaker Jason Stephens](#) (R-Kitts Hill) on Monday afternoon announced his decision to not seek the nomination.

(See Gongwer Ohio Report, November 18, 2024).

Huffman backers, meanwhile, maintained their confidence regarding the term-limited senator's path to victory.

"Matt Huffman spent his entire summer traveling the state of Ohio, helping get members re-elected and was instrumental in beating Issue 1," [Rep. Phil Plummer](#) (R-Dayton) said.

"Barhorst sat on the couch all summer."

"You've got to be a team player to be a leader," he continued. "You don't sit on the couch and come in at the last minute."

Barhorst said he hoped money would not be a driving factor of how members vote.

"If they are, I mean, nobody will ever admit that," he said. "I helped a lot of candidates with \$1,000, \$2,000 checks myself."

Asked whether he would consider working with Democrats to win the speakership, Barhorst said, "I'm not going to be a part of a non-unifying effort.... In the speaker vote, they have no role in my efforts."

Today In The Statehouse: Speaker Stephens told reporters the House will not act on a long-debated higher education overhaul ([SB 83](#)) that awaits a floor vote after clearing committee in December.

Asked why the House was not moving forward with the Senate priority plan, the speaker said: “Because we’re not gonna do it. We’ve got a lot of other things that are a lot more important.”

The lack of movement has been a point of frustration for sponsor [Sen. Jerry Cirino](#) (R-Kirtland) who has pledged to reintroduced the plan next session absent the changes made so far to court House support.

Elsewhere, sponsors renewed their push to get their bipartisan energy efficiency plan over the finish line in the Senate.

Testifying before the Senate Energy & Public Utilities Committee, sponsors pushed back on misinformation they say has been circulated by some critics and framed the plan to authorize voluntary efficiency programs ([HB 79](#)) as a key tool for Ohio’s energy future.

“There is nothing wrong with a properly designed energy efficiency program and that is what sits in front of you in HB79,” joint sponsor [Rep. Bill Seitz](#) (R-Green Twp.) said, working to distance the proposal from the state’s former renewable energy standards that drew frequent fire from Republicans.

Joint sponsor [Rep. Bride Rose Sweeney](#) (D-Cleveland) added the bill “is one significant, concrete step we can take today to help make Ohioans’ lives just a little bit more affordable.”

Among myriad other committees meeting Tuesday, the [House Pensions](#)

Committee will hold its first meeting since February with an agenda including possible changes and a potential vote on a plan to hike police employer contributions to the Ohio Police & Fire Pension Fund ([HB 296](#)).

Yost Video: [Attorney General Dave Yost](#) on Tuesday appeared to remove any doubts about his future political plans with the release of a social media video.

In the 20-second teaser spot, Yost walks through the Statehouse to the door of the governor's ceremonial office where he pauses for a bit before turning around and looking at the camera underneath the GOVERNOR-emblazoned entrance.

"Stepping Up For Ohio, Coming Q1, 2025" then flashes on the screen

Yost's long-expected entry into the 2026 race for governor could be part of a crowded GOP primary field that includes Lt. Gov. John Husted, who holds a strong fundraising hand, State [Treasurer Robert Sprague](#) and others.

Editor's Note: *Have a tip or idea on breaking policy or political developments for inclusion in future Midday Updates or the Ohio Report? If so, send to kcahlander@gongwer-oh.com or submit an [anonymous tip](#).*

Imprisoned ex-Ohio House Speaker Larry Householder to ask Donald Trump for clemency, campaign attorney says



COLUMBUS, Ohio—Ex-Ohio House Speaker Larry Householder, who’s serving a 20-year prison sentence for overseeing the largest bribery scandal in Ohio history, is preparing to ask President-elect Donald Trump for clemency, according to his campaign’s attorney.

Householder, a Perry County Republican, is planning to submit an official pardon application to the U.S. Justice Department at some point closer to Trump’s inauguration on Jan. 20, 2025, according to the attorney, Scott Pullins.

“We will also be working to build support and communicate with the President and his team,” Pullins stated in a message. Pullins is not a member of Householder’s criminal defense team; rather, he’s advised Householder about legal and political matters over the years and represented him in some state elections cases.

Mark Marein, one of Trump’s criminal defense attorneys, declined comment.

U.S. presidents have the power to offer two kinds of executive clemency for federal crimes: a presidential pardon, and commuting a prison sentence. Either would result in Householder being immediately released from prison.

Pardons are generally issued after convicts are released from prison, though they don’t have to be -- Trump, for example, [pardoned Joe Arpaio](#), the former sheriff of Maricopa County, Arizona, two months after his conviction for defying a judicial order to stop traffic patrols targeting undocumented immigrants.

When someone applies for a presidential pardon, the U.S. Justice Department conducts an investigation and decides whether to recommend that it be granted.

Justice Department advisory rules normally require people serving a federal prison sentence to wait until at least five years after their release to apply for a pardon. However, Pullins stated that Householder will ask for a waiver of the Justice Department's waiting period – which applicants can do, though it is “is rarely granted and then only in the most exceptional circumstances,” [according to the Justice Department's presidential pardon application](#). Householder [could also apply](#) for Trump to commute his sentence -- which would reduce his time behind bars but keep his felony racketeering conviction on the books. Asked whether Householder will ask Trump for a pardon or to commute his sentence, Pullins replied, “We will take whatever we can get.

“We are pursuing all legal avenues to bring Speaker Householder home,” Pullins stated.

Last year, Householder was convicted by a federal jury of leading a scheme to use \$60 million in bribes from FirstEnergy to help pass and maintain House Bill 6, a 2019 energy law that offered the Akron-based utility a windfall of financial perks – headlined by a \$1 billion-plus bailout of two Ohio nuclear power plants owned at the time by a company subsidiary.

Householder, who has maintained his innocence, [has appealed the conviction](#), claiming – among many other things -- that the judge was biased and the jury was given faulty instructions. Householder, 65, is [currently serving his sentence](#) at a low-security federal prison in Elkton, Ohio.

Even if Trump grants a presidential pardon for his federal conviction, Householder could still remain behind bars if he's convicted of pending [state-level charges filed against him last March](#) claiming he lied on state ethics disclosure forms and illegally used campaign funds to pay criminal defense fees from his federal trial.

While Householder was prosecuted at trial by the office of U.S. Attorney Kenneth Parker, an appointee of Democratic President Joe Biden, [the House Bill 6 corruption investigation was launched](#) under Parker's predecessor, Trump appointee David DeVillers.

DeVillers declined comment Monday on Householder's presidential clemency request. The Plain Dealer/Cleveland.com reached out to Parker's office.

Householder was one of the first and most prominent Ohio supporters of Trump's first presidential campaign in 2016, when most Republicans backed then-Gov. John Kasich's GOP presidential run.

As president, Trump took action to release several convicted politicians from both parties, including [pardoning former U.S. Rep. Duncan Hunter](#), a California Republican convicted of violating campaign-finance law.

Trump also commuted the prison sentences of, among others, [ex-Illinois Gov. Rod Blagojevich](#) and [former Detroit Mayor Kwame Kilpatrick](#) (both Democrats), as well as [Republican ex-U.S. Reps. Duke Cunningham](#) of California, Rick Renzi of Arizona, and Robin Hayes of North Carolina.

[Jeremy Pelzer covers state politics and policy for Cleveland.com and The Plain Dealer.](#)

Issue 1 fails big in Ohio despite massive money advantage

Jessie Balmert**Laura A. Bischoff**

Columbus Dispatch

Voters rejected Ohio Issue 1 Tuesday, choosing to stick with the status quo instead of setting up a new citizen commission to draw congressional and state legislative districts.

Ohio will continue to use its current redistricting method led by state lawmakers and a commission of seven elected officials. The state will keep its current state legislative maps through 2030 but the congressional map, approved without Democratic support, will be redrawn next year for the 2026 election.

The measure was failing, 46% to 54%, when the Associated Press called the race at about 11:20 p.m. Tuesday.

More: [Issue 1 fails big in Ohio despite massive money advantage](#)

Opponents of Ohio Issue 1 were heavily outspent, but they convinced voters that the 26-page constitutional amendment was too confusing and too flawed to pass. Tuesday's Issue 1 results mirrored former President Donald Trump's victory in Ohio.

"Despite Democrats' best efforts to deceive Ohioans into changing our constitution and rigging elections in their favor, the truth has carried the day," said former Ohio Republican Party Chairman Bob Paduchik, who led opposition to Issue 1.

But retired Ohio Supreme Court Chief Justice Maureen O'Connor, who crafted the constitutional amendment, said many voters were duped by Republican-crafted ballot language.

“In analyzing the vote tonight, it is clear that millions of Ohioans who voted ‘yes’ want to end gerrymandering,” said O’Connor, a former Republican officeholder. “And it is also clear that those who voted ‘no’ thought that they were voting to end gerrymandering.”

Trump, Ohio Gov. Mike DeWine and fellow Republicans united against the plan to create a 15-member citizen commission. And Trump’s success in Ohio helped to defeat the redistricting reform measure.

Ohio Secretary of State Frank LaRose and fellow Republicans approved ballot language said Ohio Issue 1 would require gerrymandering, a concept that most Ohioans oppose. GOP justices on the Ohio Supreme Court largely upheld that ballot language despite opposition from their Democratic colleagues.



"We were dead in the water in July," Senate President Matt Huffman, R-Lima, said.

"Gov. Mike DeWine turned this thing around. He put a stake in the sand and said this is not going to happen in the state of Ohio."

Sen. Rob McColley, R-Napoleon, praised Trump's support as well and said Issue 1’s likely defeat was proof that Ohio’s constitution is not for sale. He is expected to lead the Ohio Senate next year.



Ohio Issue 1 was a reaction to how Republicans drew maps in 2021 and 2022, ignoring public comment and deadlines to approve districts at the 11th hour. A divided Ohio Supreme Court rejected these maps seven times as unconstitutional gerrymandering.

Lawsuits and new leadership on the Ohio Supreme Court led to Ohio's current maps.

In response, former Ohio Supreme Court Chief Justice Maureen O'Connor wrote a constitutional amendment to create a citizens' redistricting commission. O'Connor, a Republican and the deciding vote on seven redistricting decisions, left the court because of age limits. Redistricting reform became her retirement project.

DeWine has said Ohio's current redistricting system doesn't work. He promised to work with Ohio lawmakers to propose an alternative if Issue 1 was defeated. But it's not yet clear what that alternative would look like and if Ohio's GOP-controlled Legislature would send it to voters to decide.

Ohio Issue 1: What is gerrymandering? How does it impact General Assembly, Congress?

Much of Citizens Not Politicians' fundraising came from out-of-state, progressive dark money groups and unions, which typically back Democrats. Opponents received money from GOP donors like Columbus Crew and Cleveland Browns owner Jimmy Haslam and the campaigns of congressmen like Rep. Jim Jordan.

"Issue 1 has hardly been a citizen-led initiative," Ohio Republican Party Chairman Alex Triantafilou said. "It's \$30 million-plus dollars in out-of-state, special interest money."

Jen Miller, executive director of the League of Women Voters of Ohio, said they won't stop fighting against gerrymandering despite their defeat Tuesday. "Fair districts and fair representation is a right."

Stay informed: [Sign up for The Scoop, our weekly Ohio politics newsletter](#)

Read the proposed amendment here:

MEMORANDUM

TO: Ohio Manufacturers' Association
Ryan Augsburger
James Lee

FROM: Bricker Graydon Government Relations Team

DATE: August 7, 2024

SUBJECT: 2024 November General Election Citizens Redistricting Commission Ballot Issue

I. Introduction.

This memorandum provides an overview of the proposed constitutional amendment to create the Ohio Citizen Redistricting Commission, which is set to appear on the ballot in Ohio for the November 2024 General Election. In the fall of 2023, a group of petitioners filed 1,000 signatures and a summary for ballot issue to amend Ohio's constitution to create a Citizens Redistricting Commission. The Attorney General certified the summary of the ballot issue to be a fair and truthful statement of the proposed constitutional amendment. After this step, the Ohio Ballot Board certified the ballot issue to be a single issue. The group supporting this ballot issue, Citizens Not Politicians, began circulating petitions to collect the required signatures to appear on the ballot in November of 2023. Former Ohio Supreme Court Chief Justice Maureen O'Connor is helping lead the ballot issue effort. The group filed the petitions on July 1, 2024 with over 700,000 signatures. After the county board of elections reviewed the petitions and signatures, the Secretary of State announced the ballot issue qualified for the November General Election, with 535,005 valid signatures from 58 counties. Now, the Ohio Ballot Board is set to meet on August 16, 2024 to approve summary ballot language for the constitutional amendment.

II. Background.

In 2015 and 2018, Ohioans passed two Constitutional amendments proposed by the Ohio Legislature for the purpose of addressing ongoing political concerns with Ohio's legislative redistricting and Congressional apportionment processes. Issue 1 in 2015 passed with 71% of the electorate and created a bipartisan Redistricting Commission ("Commission") responsible for drawing and adopting state legislative districts. This Commission is comprised of seven members, one individual appointed by the Senate President, one individual appointed by the Speaker of the House, one individual appointed by the Senate Minority Leader, one individual appointed by the House Minority Leader, the Governor, the Auditor of State, and the Secretary of State. In 2018,

Issue 1 created a similar bipartisan Redistricting Commission to draw the congressional districts, but the full general assembly must adopt the plan of the Commission. This issue passed with 74% of the vote.

Following the 2020 census, the Ohio Redistricting Commission convened for the first time and drew the state legislative and congressional districts in 2021. After passing maps for both sets of districts, several lawsuits were filed against the maps. Ultimately, the Ohio Supreme Court found the four different maps to be unconstitutional by 4-3, due to Chief Justice O'Connor siding with the Democratic Justices in each of those decisions.¹ The Commission had to redraw the state legislative maps four times resulting Ohio's primary election in 2022 to be split up to the delay in district maps. After the 2022 election, the Commission had to redraw the state legislative maps in the fall of 2023 for the upcoming 2024 election, and the maps were approved by the Commission members 7-0. The state legislative map will be in effect until 2030. A similar lawsuit was filed challenging the congressional district maps in 2022 and the Ohio Supreme Court found the congressional maps to be unconstitutional.² Following, the Redistricting Commission had to redraw the maps to propose to the General Assembly. The General Assembly was only able to adopt the plan with a simple majority, so the map is only effective for four years. Therefore, the Redistricting Commission must reconvene to create a new plan for the congressional elections to be held in 2026.

III. Proposed 2024 Constitutional Amendment.

A. Analysis of Proposed Constitutional Amendment.

i. Commission Members.

The proposed constitutional amendment strikes the constitutional amendments made in 2015 and 2018 and proposes a new process of drawing state legislative and congressional maps. Specifically, the proposed amendment creates the Ohio Citizens Redistricting Commission ("Citizens Redistricting Commission"), composed of 15 members. Five of these members must be affiliated with the political party whose candidate for governor received the highest number of votes at the last preceding election for governor (First Major Party). Another five members must be affiliated with the political party whose candidate for governor received the second highest number of votes at the last preceding election for governor (Second Major Party). The last five members must not be affiliated with either Party mentioned above. Each member must be an Ohio resident, during the current year and for the six years immediately prior to their appointment to the Citizens Redistricting Commission.

Individuals who are current elected or appointive officials to federal, state or local officer and their immediate family members are ineligible to serve as a Commissioner. Additionally, a

¹ *League of Women Voters of Ohio v. Ohio Redistricting Comm.*, 168 Ohio St.3d 28, 2022-Ohio-342, Order on February 7, 2022; Order on March 16, 2022; Order on April 14, 2022, and Order on May 25, 2022.

² *Neiman v. LaRose*, 169 Ohio St.3d565, 2022-Ohio-247.

person who has served in any federal, state or local elective or appointive office in Ohio for any period during the current year and immediately preceding six years and their immediate family members cannot serve as a member of the Citizens Redistricting Commission. Paid consultants to any political party, political action committee, or campaign committee and their immediate family members are also ineligible to serve. Commissioners shall be ineligible to hold elective or appointive state office in Ohio for six years following the certification of the redistricting plan for the general assembly.

ii. Bi-partisan Screening Panel.

To become a member of the Citizens Redistricting Commission, the individual must apply through the bi-partisan screening panel (“Panel”). The application must collect the following information: the applicant’s qualifications, conflicts of interest, party affiliation, relevant experiences and skills, community ties, and commitment to impartiality, compromise and fairness. Party affiliation for an applicant shall be determined based on the applicant’s voting record in party primaries and various other relevant factors including but not limited, political contributions, campaign activities, and other reliable indicia of partisan affiliation. The Panel will consist of 4 Ohio retired judges- 2 from each major party as described above. The Panel members will be appointed by the four legislative appointees of the Ohio Ballot Board (current existing entity). Once formed, the Panel by a majority vote will create a pool of 90 applicants for the Citizens Redistricting Commission that collectively are from a geographically and demographically representative cross-section of Ohio. After narrowing the applicants to 90, the Panel will select 45 finalists. In a public meeting, the Panel shall randomly draw six names (two from each major party, and the last two being independents) from the finalist list to be on the Citizens Redistricting Commission. At a subsequent public meeting, the Panel shall select from the remaining pool by a majority vote, including at least one vote from a Citizens Redistricting Commission member affiliated with each major party and independent selected in the first meeting, another nine additional persons to be on the Citizens Redistricting Commission.

iii. Meeting and Redistricting Plan Requirements.

Once the Citizens Redistricting Commission is formed, the meetings must be public. The Citizens Redistricting Commission must hold at least five public hearings prior to the release of a draft redistricting plan to gather public input. Each hearing shall be held in each of the five geographic regions of the state (NE, SE, NW, SW, and Central). Then, the Citizens Redistricting Commission must hold at least five more public hearings in the five geographic regions to receive public comment on the draft plan. Before voting on the plan, the Citizens Redistricting Commission must hold at least two public hearings to receive public comment on any revised redistricting plan. The plan must be adopted by July 15 of each year ending in the number one, and only after the proposed final redistricting plans have been made public for at least three days, can the Citizens Redistricting Commission adopt final redistricting plans. If the Citizens Redistricting Commission fails to adopt any final redistricting plan, the amendment lays out a procedure to resolve the impasse.

The redistricting plan must adhere to certain criteria laid out in the constitutional amendment. The criteria sets forth requirements to ban partisan gerrymandering and prohibit the use of redistricting plans that favor one political party and disfavor others, the statewide proportion of districts in each redistricting plan that favors each political party shall correspond closely to the statewide partisan preferences of the voters of Ohio.

iv. Challenge of Redistricting Plan.

The Ohio Supreme Court will only have exclusive original jurisdiction in all cases that contend that an adopted plan fails to comply with the proportionality and incumbency and candidacy provisions set forth in Section 6 (B) of the amendment. Based on the amendment language, it does not appear that the Ohio Supreme Court will have jurisdiction over any other matters pertaining to the Citizens Redistricting Commission. Additionally, the amendment seems to tie the hands of the public, not allowing for any other challenges to be filed against the redistricting plan.

The proposed constitutional amendment constrains the Ohio Supreme Court's ability to review a case that challenges the adopted redistricting plan. The amendment requires the Panel (as described above) to create a pool of at least six potential Special Masters and the Ohio Supreme Court shall by a unanimous vote select two Special Masters from the pool. The Two Special Masters are charged with reviewing the record before the Citizens Redistricting Commission and holding a public hearing, after which they must issue a report as to whether the Citizens Redistricting Commission abused its discretion in its determination that the adopted plan complies with the partisan fairness criteria. If the person who filed a challenge or the Citizens Redistricting Commission disagrees with the report, they may file objections with the Ohio Supreme Court and after a public hearing on the objections and a review of the record before the Citizens Redistricting Commission, the Ohio Supreme Court must rule whether the Citizens Redistricting Commission abused its discretion in determining that the adopted plan complies with the certain sections of the proposed constitutional amendment.

v. Financial Support of Commission.

The proposed constitutional amendment language requires the General Assembly no later than December 10, 2024 to appropriate not less than seven million dollars for the first redistricting effort. For each redistricting cycle after 2025, an amount must be appropriated no later than January 1 of a year ending in zero that is not less than seven million dollars, adjusted for inflation. Additionally, the General Assembly shall make separate and timely appropriations to cover all of the Citizens Redistricting Commission's expenses in any related litigation.

B. Political Overview: Campaign Finance Filings, Governor DeWine Comments, & Growing Opposition.

In the latest mid-year 2024 campaign finance reports filed at the end of July, the proponents, Citizens Not Politicians, reported contributions of \$23 million during the first six months of 2024. However, the group reported spending \$24.85 million, therefore, closing the first half of the year with no dollars remaining—nearly \$17 million was used to reserve tv advertising time in the weeks leading up to the November 2024 election.

Various news reports and an analysis of the recent campaign finance reports indicate that more than 85 percent of the proponents' campaign contributions have come from progressive and liberal interest groups, entities, and individuals from outside of Ohio.

Ohio's campaign finance reports were filed on the same day that Governor DeWine made comments in opposition to the proposed constitutional amendment. In those comments, Governor DeWine called on Ohioans to reject the ballot issue and instead Ohio should consider adopting a population-based system, which is used in Iowa. Additionally, Governor DeWine stated he would work with Ohio's next General Assembly in 2025 to put an issue on the ballot that mimics the Iowa plan. Several Republican leaders, such as Speaker Jason Stephens (R- Kitts Hill) and President Matt Huffman (R-Lima), also denounced the ballot issue, but did not go as far to say that they supported the Governor's proposal. Lt. Governor Husted also stated that the proposed constitutional amendment focuses too much on the concept of proportionality, which would result in gerrymandering.

IV. Conclusion.

The proposed ballot issue makes significant changes to Ohio's Constitution relating to Ohio's legislative district and Ohio's congressional delegation maps. Clearly, the redistricting campaign, coupled with the Ohio Presidential and U.S. Senate elections, will create an undeniably chaotic political environment into the fall of 2024. If you have any questions regarding the impact of the possible redistricting amendment or others, please let us know.

Moreno ousts Brown in Ohio Senate race

by [Alexander Bolton](#) - 11/05/24 10:51 PM ET

Republican businessman Bernie Moreno has defeated incumbent Sen. Sherrod Brown (D-Ohio), the chair of the Senate Banking Committee, boosting Republican chances of taking back control of the Senate.

Moreno, 57, who built up a successful network of car dealerships in Ohio, had trailed Brown, who is completing his third Senate term, in the polls for much of the race.

He was propelled to victory in part because of former President Trump's strong performance at the top of the ticket. Trump is projected to easily defeat Vice President Harris in Ohio.

Moreno cruised to an easy victory in the Republican primary, buoyed by Trump's endorsement in December.

He ran for the Senate in 2022 but dropped out at Trump's urging. JD Vance wound up winning the nomination that year, going on to be elected to the Senate and later serving as Trump's running mate.

An Emerson College Polling survey of 900 likely voters conducted from Oct. 30 to Nov. 2 showed Moreno leading Brown 48 percent to 45 percent.

But other polls showed him trailing for much of the race. The poll-tracking website FiveThirtyEight showed Brown with a steady 2.5- to 3-point lead until mid-October, when the race started to tighten.

Democrats repeatedly hit Moreno on abortion rights, highlighting his comments in 2022 describing himself as "absolutely pro-life, no exceptions."

He later softened his position by saying he supported "commonsense restrictions" on abortion after 15 weeks of pregnancy, arguing the issue should be "mostly" left to the states.

Moreno also came under intense fire after being captured on video saying that abortion rights shouldn't be an issue for women older than 50.

“Sadly, by the way, there’s a lot of suburban women, a lot of suburban women that are like, ‘Listen, abortion is it. If I can’t have an abortion in this country whenever I want, I will vote for anybody else.’ OK. It’s a little crazy, by the way, but — especially for women that are like past 50, I’m thinking to myself, ‘I don’t think that’s an issue for you,’” Moreno said in the clip, which quickly became national news.

Former Republican presidential candidate Nikki Haley criticized Moreno, calling his remarks “tone deaf” and asking, “Are you trying to lose the race?”

Moreno later defended himself at a debate with Brown, insisting that he was only joking.

Brown sought to draw a clear contrast by highlighting his support for a state constitutional amendment in 2023 that ensured access to abortion and other reproductive health care. It passed with 57 percent support.

Moreno tried to regain momentum by hammering Brown on inflation, crime and migration across the U.S.-Mexico border during President Biden’s presidency.

The race was the most expensive Senate contest in the country, with both parties spending more than \$500 million, according to the tracking firm AdImpact.

Brown was a top target of the cryptocurrency industry, which poured tens of millions of dollars into the race to defeat him.

One crypto-affiliated super PAC, Defend American Jobs, spent more than \$40 million against Brown.

Crypto advocates faulted the Banking panel chair for opposing a bill backed by House Financial Services Committee Chair Patrick McHenry (R-N.C.) to clarify how federal agencies would regulate cryptocurrencies.

Brown, 71, managed to outrun the top of the ticket by distancing himself from Biden-Harris administration and focusing on his own strong brand.

He criticized Biden for not doing enough to protect American workers from cheap Chinese imports and announced last year he would co-sponsor legislation to extend the emergency COVID-19 health policy known as Title 42, which Trump had used to keep migrants out of the country.

And he skipped the Democratic National Convention in Chicago, along with other vulnerable Democratic incumbents.

Over his 32-year career in the Senate and House, Brown has been a vocal and reliable supporter of the labor movement and often spoke about the “dignity” of work and took shots at corporate “greed” on the Senate floor.

In recent years, he became an outspoken advocate for expanding affordable housing and addressing the spread of fentanyl addiction that ravages parts of his home state.

He scored a big win in April when the Senate passed the FEND OFF Fentanyl Act, which was sponsored by Sen. Tim Scott (R-S.C.), as part of a \$95 billion foreign military aid package.

National Republican Senatorial Committee (NRSC) Chair Steve Daines (Mont.) predicted months ago that Moreno would surpass Brown as he gained name recognition from campaign appearances and a flood of political ads.

Polling presented to Republican senators at the NRSC headquarters in September showed Brown with a 2-point lead over Moreno. But Daines argued that Trump would propel him to victory.

“We’re seeing Ohio is less prone to ticket-splitting and will be probably more of a red jersey, blue jersey outcome in November. And that bodes well for Bernie Moreno,” he told reporters.

Daines congratulated Moreno on his victory shortly after 11 pm ET.

“Congratulations to Bernie Moreno on his hard-fought victory. Bernie is a true patriot and the living embodiment of the American Dream. As Ohio’s next senator, Bernie will put Ohio first every day and fight to secure our borders, cut taxes, and restore American strength abroad,” he said in a statement.

Who will Ohio Gov. Mike DeWine pick to fill VP-elect JD Vance's U.S. Senate seat?



COLUMBUS, Ohio — With U.S. Sen. JD Vance's election as vice president on Tuesday, Ohio political eyes are now on Gov. Mike DeWine to see who he'll appoint to fill Vance's Senate seat.

While DeWine has been characteristically closed-lipped until now about which of his fellow Republicans he'll choose to fill Vance's seat in the next couple months or so, there are no shortage of potential candidates who would love to be launched into one of the most powerful jobs in the nation.

At the same time, though, whomever the governor chooses will have to be in near-constant campaign mode for the next four years in order to hold the seat, a sharp departure from the typical six-year cycle for senators. That's because the pick would have to run in a 2026 special election to remain in office, then go before voters again in 2028 in order to win a full six-year term.

"It truly is a gauntlet of elections that this appointee has to be ready for," said DeWine spokesman Dan Tierney.

DeWine will announce his appointee once Vance formally steps down from the Senate, Tierney said, though it's not yet clear when Vance will do that.

Cleveland.com/The Plain Dealer has reached out to a Vance spokesman.

However, Tierney said it's likely that Vance will likely step down before he's formally sworn in as vice president on January 20, 2025. Tierney cited past precedent, including that Barack Obama resigned from the Senate in mid-November 2008, less than two weeks after he was elected president.

Who's interested?

One Republican who confirmed her interest in the appointment is Jane Timken, a former Ohio Republican Party chair who finished fifth in the 2022 GOP primary for the Senate seat now held by Vance.

“Obviously, I’d be honored to be considered,” Timken said in an interview Wednesday. “I’d love to serve the people of Ohio, and it’s entirely up to Governor DeWine.”

Timken, who now serves as one of Ohio’s three representatives on the Republican National Committee, said she hasn’t talked to DeWine recently about the appointment. “I think we’ll just let things play out and talk about that (at) a better time,” she said.

Secretary of State Frank LaRose of suburban Columbus and U.S. Rep. Mike Carey of Columbus were also mentioned as potential appointees by several Ohio Republican operatives and strategists, including some with connections to DeWine.

Spokespeople for LaRose and Carey each declined to directly answer when asked Wednesday whether their respective bosses have reached out to DeWine about the appointment.

“I’m always ready to answer the call of duty, but I’m also focused right now on doing the job Ohioans hired me to do,” stated LaRose, who finished third in this year’s GOP Senate primary behind Westlake’s Bernie Moreno, now the U.S. senator-elect after his general election victory, and state Sen. Matt Dolan of Chagrin Falls.

“Congressman Carey is honored to be mentioned for the role, but his focus is first and foremost on serving the people of Ohio’s 15th District,” said Theresa Braid, a spokeswoman for Carey, who won reelection to the House on Tuesday.

And then there’s DeWine’s own lieutenant governor, Jon Husted of suburban Columbus. Husted has [been preparing to run in 2026](#) to succeed DeWine (who’s term-limited) as governor, but his spokeswoman, Hayley Carducci, didn’t rule out a potential change in plans.

“I am sure Governor DeWine, President Trump and Vice President Vance will have a conversation, but today is about celebrating a great victory for Ohio and the America-First movement,” Carducci said in a statement Wednesday.

Other names [floated by various Republicans in recent months](#) include Dolan (who was mentioned mainly because DeWine endorsed him in this year’s GOP Senate primary), 2024 presidential candidate Vivek Ramaswamy of suburban Columbus (though he [recently moved his finance firm from Central Ohio to Texas](#)), Senate President Matt Huffman of Lima, and ex-Ohio Supreme Court Justice Judith French, who now heads the Ohio Department of Insurance.

Cleveland.com/The Plain Dealer has reached out to Dolan and spokespeople for Ramaswamy, Huffman, and French, respectively, to gauge their interest.

Two Republicans who are not interested in becoming Ohio’s next U.S. senator include Steve Stivers, a former Columbus-area congressman who now heads the Ohio Chamber

of Commerce, and Andy Wilson, director of the Ohio Department of Public Safety. That's according to Ohio Chamber of Commerce spokeswoman Amanda Ehrmantraut and Tierney, respectively.

Attorney General Dave Yost -- who, like Husted, [has also been getting ready to run for governor in 2026](#) -- ruled it out as well. "I would not accept that appointment," the Columbus Republican [said to Ohio Public Radio](#).

Who will DeWine pick?

Several Republicans said that one of DeWine's top considerations when choosing a Senate nominee will be that the person must be electable enough to hold onto the seat in 2026 and 2028. In addition, they agreed, DeWine will look to name someone who is both acceptable to Trump and to more moderate Republicans -- which includes DeWine himself as well as longstanding GOP donors.

"It's not because (DeWine thinks), 'Oh, I have to make sure Donald Trump likes it,' in the sense of pleasing him," said Ryan Stubenrauch, a Republican operative who was a spokesperson for DeWine's 2018 campaign for governor. "But there's no more shrewd politician than DeWine ...If you appoint somebody that doesn't work with the Trump wing of the party -- which is really just the (Republican) party at this point in time -- they're just not going to win."

Tierney said DeWine will be looking for similar qualities in his Senate appointee to what he looked for when [filling an open Ohio Supreme Court seat in 2022 with Joe Deters](#), a personal friend then serving as Hamilton County prosecutor.

In filling that court vacancy, Tierney said, DeWine "was looking for somebody who would serve, was qualified and served with distinction, and worked hard for the people of Ohio."

At the same time, Tierney continued, the governor was also looking for somebody who was electable enough to hold onto the seat at the next election.

A U.S. Senate appointment is also particularly important to DeWine, who served in the chamber himself from 1995 until 2007. Tierney said the governor will look for "somebody who really wants to do the work of the Senate" and get involved in committee work and legislation.

That, Tierney said, "is different than, perhaps... primarily doing work on social media or on a speaking circuit."

[*Jeremy Pelzer covers state politics and policy for Cleveland.com and The Plain Dealer.*](#)

1. [NEWS](#)

What to expect from Ohio's 2024 lame-duck legislative session, including the battle for House speaker



By

- [Jeremy Pelzer, cleveland.com](#)
- [Laura Hancock, cleveland.com](#)

COLUMBUS, Ohio—Ohio lawmakers are back for the final stretch of the current legislative session to handle unfinished business, from regulating cannabis knockoffs to a number of education reform measures.

But there's one vote looming over this year's "lame-duck" session that could have implications for how much gets done: next Wednesday's House Republican caucus vote on who to back for House speaker next session.

For months, Senate President Matt Huffman has been preparing to challenge incumbent Speaker Jason Stephens for the speaker's gavel, a smoldering fight that's helped make the current two-year legislative session [one of the most unproductive in decades](#). Several lawmakers have given assurances – at least in public – that whatever the outcome of the caucus vote, it won't heighten the legislative gridlock during the next few weeks, though that remains to be seen.

Even if the speaker's vote doesn't impede legislative business, it's likely that lawmakers will only pass a fraction of the hundreds of bills from this session that still remain on the table.

Here's more on what Ohio lawmakers will likely focus on during lame duck, as well as what to expect from the upcoming House GOP leadership vote.

House speaker's race

House Republicans are set to meet at the Ohio Statehouse on Wednesday to take a closed-door vote on who the caucus will nominate for House speaker in 2025 and 2026.

It remains to be seen who will secure a majority of the 67-member caucus. Huffman supporters have expressed confidence that the Lima Republican has more than enough votes to win, though Stephens' backers say a Huffman victory is anything but a sure thing.

Other candidates potentially could put their names in the running too, though it's not yet clear whether any one of them would attract enough support.

Perhaps the best-known of these potential alternative candidates is state Rep. Ron Ferguson, a Jefferson County Republican who's been one of Stephens' most vocal opponents.

In an interview Thursday, Ferguson said that while he's still considering whether to officially seek the speaker's job, he asserted that enough GOP lawmakers have expressed support for him that he has a "pathway to victory" if he can win over undecided House Republicans.

"But there's still a lot of time for people to be counting votes right now, and I don't think (the outcome) is black or white," Ferguson said. "There's still a lot of gray."

Traditionally, whoever wins the majority caucus leadership vote becomes the presumptive speaker, as lawmakers in the caucus unite behind the winner. House Republicans will control 65 of 99 House seats next session.

However, that tradition was upended last session, when state Rep. Derek Merrin of suburban Toledo won the House GOP caucus vote but Stephens [was elected speaker during the official floor vote](#) the following January thanks to support from every House Democrat, plus 22 Republicans.

Several Republicans predicted that such an outcome wouldn't happen this time, as GOP lawmakers don't want to repeat the chaos of the last speaker's vote. They also don't want to make House Democrats kingmakers again.

Lawmakers also expressed confidence that, no matter who wins the vote, it wouldn't lead Huffman or Stephens to hold up the passage of legislation during the rest of lame duck.

"I don't think it will have a big impact," said House Majority Floor Leader Bill Seitz, a Cincinnati Republican who backed Stephens for speaker last year but isn't participating in this year's caucus vote as he's leaving the legislature at the end of the term.

"I've been around for 24 years, and there's been plenty of times when the president of the Senate (and) the speaker of the House were not exactly best buddies, but

nonetheless, we've always had a robust lame duck period," Seitz said. "So, bygones be bygones -- let's get some stuff done, right?"

Intoxicating hemp

Gov. Mike DeWine has [been pushing for almost a year](#) for state lawmakers to restrict sales of untested and unregulated "delta-8" products containing low levels of THC, made from legal hemp and sold at gas stations and convenience stores around the state. Multiple bills have been introduced to address the issue, though DeWine last week specifically urged lawmakers to pass [Senate Bill 326](#). As written, that bill would outright ban "delta-8" products – though the bill's sponsor, state Sen. Stephen Huffman of Tipp City, [says he's open](#) to loosening that to only allowing sales to customers age 21 or older, and requiring stores to sell the products from behind the sales counter.

DeWine and other proponents of a delta-8 crackdown [argue](#) the products are being marketed to – and are easily obtainable by – kids. He's previously argued they should only be [sold in state regulated dispensaries](#). While most lawmakers appear to agree that some sort of state regulation is needed, some legislators are resisting a total ban, saying that would hurt the many small businesses that sell intoxicating hemp products.

Public works bonds ballot issue

Since 1987, Ohio's State Capital Improvement Program has issued billions in bonds, paid for with taxpayer money, for grants and no-interest loans to local governments to help repair and build roads, bridges and other infrastructure.

But the bond program will end in 2026 unless Ohio voters approve extending it.

Under twin [House](#) and [Senate](#) resolutions, a statewide vote would be held during the May 6, 2025 primary election on extending the bond program for an additional 10 years. In addition, the proposal would allow \$2.5 billion in bonds to be sold during that time, up from \$1.85 billion in bonds sold during the past decade – an increase that supporters argue is needed due to rising costs of materials, labor, and other construction costs. The state dishes the funds out to local agencies in the form of grants and no-interest loans and then covers the cost with state taxpayer revenue.

The bond program has been approved by Ohio voters four times before, usually by significant margins. Legislative proponents of extending and expanding the program – which include both Republicans and Democrats – say they haven't heard any opposition so far to continuing and expanding the program.

As some parts of the state currently don't have anything to vote on during the May 2025 primary, lawmakers would also have to provide an additional \$15 million to local elections offices in those areas to cover the cost of holding a vote on the bond program.

Higher-education reforms

Last year, [the Ohio Senate passed](#) a sweeping, Republican-authored bill aimed at curbing liberal influence at state colleges and universities.

That legislation, [Senate Bill 83](#), would – among many other things – prohibit faculty and staff from striking, prohibit mandated diversity training at those schools, require annual

faculty performance evaluations and post-tenure reviews, and force public colleges and universities to add to their mission statements that they don't favor or disfavor any political, social or religious beliefs.

Since then, however, SB83 has stalled in the House, even after the bill's sponsor, Republican state Sen. Jerry Cirino of Lake County, reluctantly agreed to [remove the language banning faculty strikes](#). Opponents of the bill have laid out several criticisms, including that it would force professors to accept conspiracy theories as serious academic theory.

Stephens has maintained that there's not enough House votes to pass the measure, though [Cirino has expressed hope](#) that it could pass during lame duck -- both because many legislators are about to leave the Statehouse for good and because of fears that if nothing passes now, SB83 supporters would be able to push through the original, tougher version of the bill next session.

School religious instruction time

Current law authorizes local school districts to choose whether to adopt a policy allowing students to leave school to attend religious instruction. Under two Republican-sponsored bills, [Senate Bill 293](#) and [House Bill 445](#), school districts would have to authorize released time. Several faith organizations run released time programs, [but the one that will likely most benefit from the law is Hilliard-based LifeWise Academy](#), which is growing fast in Ohio and across the U.S. The bill has many parent opponents, who say it's too disruptive to allow a portion of the class to leave in the middle of the day and that LifeWise doesn't accept nontraditional families.

"Parent Bill of Rights"

House Bill 8 would require parents to be told if a child received physical or mental health care at school, which opponents said is dangerous if a child is transgender and faces punishment at home. [The bill also requires schools to notify parents](#) of sexually explicit content in the classroom. Ohio Senate President Matt Huffman said Wednesday HB8 was among his priorities, and more than half of the Ohio House's 67 Republican members have signed on as bill co-sponsors.

Childcare reform bills

[Under pressure from Ohio's powerful business community](#), state lawmakers have [introduced a flurry of bills](#) designed to make childcare in Ohio both more affordable and more accessible. However, it remains to be seen whether any will pass in the final weeks of the current session.

Most of the bills seek to help by offering state grants or tax incentives, including measures to:

- [Create a "tri-share" program](#), under which the state and participating employers would each cover one-third of childcare costs for those employers' workers. ([Senate Bill 273](#) and [House Bill 610](#))
- Provide \$10 million in grants to private employers that work to expand childcare access ([House Bill 484](#))
- Allow employers in Ohio to claim tax credits of up to \$500,000 annually for any money they put toward their workers' child care expenses ([House Bill 576](#))

- Create an annual, refundable state income-tax credit for childcare costs ([House Bill 577](#))
- Offer another income-tax credit for employers to motivate them to help cover workers' childcare expenses ([House Bill 578](#))



MEMORANDUM

TO: Ohio Manufacturers' Association
Government Affairs Committee

FROM: Bricker Graydon LLP
Christopher N. Slagle, OMA General Counsel

DATE: November 21, 2024

RE: November 2024 OMA Government Affairs Committee Counsel Report

I. November 2024 Government Affairs Committee Counsel Report.

Please find below several political, legislative, and judicial efforts our Firm has been monitoring for the OMA.

II. Statewide Ballot Issues and Related Legislation Overview.

Foreign National Contributions to Ballot Issues.

Senate Bill (S.B.) 215, introduced by Senators Rob McColley (R-Napoleon) and Theresa Gavarone (R-Bowling Green), was referred to Senate General Government Committee after introduction. Senate General Government Committee passed the bill out of committee after three hearings. The Senate considered the bill during its February 28, 2024 session, and the bill passed out of the chamber by a vote on 25-7. The bill remains in the House waiting for referral to a committee for consideration. If enacted, the bill will prohibit any foreign national, including a company organized or has its principal place of business in a foreign country, from providing contributions to any ballot issue committee. Additionally, the bill places a requirement for corporations to file a statement that they will not accept foreign contributions. If a corporation chooses not to file that statement with the Secretary of State, then the corporation is subject to registration and reporting requirements with the Ohio Secretary of State. The definition appears to be broad and could encompass a (c)(4) corporation and a (c)(6) corporation that chooses to participate in Ohio's ballot issue landscape. The language of S.B. 21 is written broadly and could be interpreted to even require registration of any corporation, such as a trade association like OMA, that participates in a ballot issue campaign.

On May 8, 2024, the Ohio Senate amended House Bill 114 (Seitz, Humphrey), originally a bill to allow a candidate to use campaign funds to pay certain child care costs, to include parts of S.B. 215. The amendments did not include language requiring registration and reporting by corporations. However, the language still limits the ability of a foreign national from contributing to a ballot issue committee in the state. The bill was sent over to the House for concurrence on the amendments, but, the House did not act on H.B. 114. The bill was also intertwined with fixing a



time issue for the Democratic Party to get their presidential candidate on the ballot since their convention was scheduled for after the deadline of August 7 for certification of presidential candidate to the Secretary of State.

Both chambers refused to act on bills passed by the other chamber to fix the presidential deadline, and instead set to take Memorial Day week off. However, the Thursday before Memorial Day weekend, Governor DeWine acted by ordering a special session to solely to pass legislation to facilitate ballot access for the Democratic incumbent and bar foreign nationals from spending on issue campaigns in the state. This was the first special session in nearly two decades. Governor DeWine set the special session for the Tuesday after Memorial Day, May 28, 2024. The Ohio House and Ohio Senate returned to Columbus and introduced and passed H.B. 1 and H.B. 2 that week. Governor DeWine signed both bills on June 2, 2024. H.B. 1 prohibits foreign nationals, including foreign corporations from contributing to an Ohio ballot issue and was scheduled to be effective September 1, 2024. However, two cases were filed against the law, and Federal Court Judge Watson ruled on August 31 that the Ohio law violated the First Amendment rights of non-U.S. citizens living in the United States legally, often known as green card holders. Attorney General Yost appealed this decision, and the 6th Circuit Court of Appeals lifted the stay and the law is now in effect in Ohio.

Citizens Redistricting Commission.

On August 14, 2023, the proponent group, Citizens Not Politicians, filed a summary of a proposed amendment to create the Citizens Redistricting Commission. The Citizens Redistricting Commission would be comprised of five Democrats, five Republicans and five independents. The group revealed the proposal along with supporting statements from Former Supreme Court Chief Justice Maureen O'Connor, who has been outspoken on the current Ohio Redistricting Commission process. However, Attorney General Yost rejected the summary on August 24, 2023. In the Attorney General's letter back to the group, Attorney General Yost wrote "during our review of the summary, we identified omissions and misstatements that, as a whole, would mislead a potential signer as to the actual scope and effect of the proposed amendment." Overall, Attorney General Yost pointed out nine different omissions and misstatements as reason to deny that the summary is a fair and truthful statement of the amendment. Supporters filed another summary on September 22, 2023, which the Attorney General certified on October 2, 2023. Following the certification of the summary, petitioners announced that the summary contained a typo and refiled the summary on October 30, 2023. The Attorney General certified the issue on November 9, 2023. The Ohio Ballot Board met on November 20, 2023 and deemed the ballot issue a single issue. The petitioners collected and filed petitions on July 1, 2024 to appear on the November General Election ballot. Late in July, Secretary of State LaRose certified that the ballot issue collected enough signatures to appear on November's ballot.

In the latest mid-year 2024 campaign finance reports filed at the end of July, Citizens Not Politicians reported contributions of \$23 million during the first six months of 2024. However, the group reported spending \$24.85 million, therefore, closing the first half of the year with no dollars



remaining – nearly \$17 million was used to reserve tv advertising time in the weeks leading up to the November 2024 election.

After the ballot issue was certified to appear in November, Governor DeWine made comments in opposition to the proposed constitutional amendment. In those comments, Governor DeWine called on Ohioans to reject the ballot issue and instead Ohio should consider adopting a population-based system, which is used in Iowa. Additionally, Governor DeWine stated he would work with Ohio's next General Assembly in 2025 to put an issue on the ballot that mimics the Iowa plan. Several Republican leaders, such as Speaker Jason Stephens (R- Kitts Hill) and President Matt Huffman (R-Lima), also denounced the ballot issue, but did not go as far to say that they supported the Governor's proposal. Lt. Governor Husted also stated that the proposed constitutional amendment focuses too much on the concept of proportionality, which would result in gerrymandering.

The proposed amendment is quickly becoming the focal point for the November election. On August 16, 2024, the Ohio Ballot Board, which assigns the language that actually appears on Ohioan's ballots, chose summary language drafted by Ohio Secretary of State Frank LaRose, instead of the language suggested by Citizens Not Politicians. The petitioners complained that the Secretary's language was not objective and intended to persuade voters to vote against the amendment. Following the adoption of the summary, Citizens Not Politicians filed a lawsuit to block the summary from appearing on the ballot.

Ohio's General Election results included Issue 1 failing by a vote of 53.78% to 46.22%.

Minimum Wage.

Although, organizers, One Fair Wage, of a proposed constitutional amendment to raise Ohio's minimum wage already had the ability to collect signatures to place the measure on the ballot, the group instead refiled the constitutional amendment with the Attorney General's office on March 27, 2023. The third submission of the constitutional amendment includes an increase of minimum wage to \$12.75 per hour on January 1, 2025 and then increase to \$15 per hour on January 1, 2026. The Attorney General certified the summary as truthful and accurate statement on April 5, 2023. Following, the Ohio Ballot Board met and certified the issue as a single issue for the ballot. The group attempted to collect signatures to file before the July 3, 2024, but One Fair Wage made a statement on the deadline date that they failed to collect enough signatures in the required number of counties, and therefore will try again for the November 2025 General Election.

On May 1, 2024, Senator Bill Blessing (R- Colerain Township) introduced S.B. 256 to get ahead of the anticipated ballot issue. S.B. 256 will increase the state hourly minimum wage rate to \$15 per hour by January 1, 2028 for non-tipped employees. Currently, Ohio's minimum wage for 2024 is \$10.45 per hour for non-tipped employees. The minimum wage would increase by a dollar each year after the first increase to \$12 beginning on January 1, 2025. The minimum wage would be \$13 per hour beginning on January 1, 2026, \$14 per hour on January 1, 2027 until reaching the



\$15 per hour in 2028. Additionally, the bill requires, beginning January 1, 2029, the minimum wage rates to be adjusted annually based on the Consumer Price Index, in accordance with Ohio's constitutional minimum wage requirements. Counsel provided a memorandum to OMA describing the possible impacts of S.B. 256 to Ohio manufacturers.

Secure and Fair Elections/Ohio Voter Bill of Rights.

In 2020, a constitutional amendment allowing for same day voter registration among other election provisions, was submitted to the Attorney General's office and was certified. However, Ohio Ballot Board determined the amendment was multiple issues. So, the group would need to collect signatures for each separate issue. After litigation, the Ohio Supreme Court determined the Ballot Board should reconvene and determine the amendment to be one ballot issue, but denied the petitioners' request for additional time to request signatures. The group didn't have adequate time from the Court's decision to the July 2020 deadline to collect signatures. Therefore, the ballot issue did not appear on the 2020 November General Election ballot.

On December 19, 2023, the group submitted similar same day voting registration language to the Attorney General's office to start the ballot issue process. The Attorney General's office rejected the summary on December 28, 2023. The group waited a few weeks and on January 16, 2024, the group submitted their second submission and renamed it "Ohio Voter Bill of Rights." Again, the Attorney General's office denied the summary. The group filed a writ of mandamus with the Ohio Supreme Court and requested an expedited schedule. The court denied their request for an expedited schedule on February 8. Following, on February 26, 2024, Attorney General Yost filed a motion to dismiss. The Ohio Supreme Court denied the motion to dismiss on May 22, 2024, and set a briefing schedule for the case. After the briefing schedule, on October 30, 2024, the Ohio Supreme Court unanimously ruled that the Attorney General overstepped his statutory bounds to review a summary of a ballot issue. The Court ordered that the Attorney General review the summary within 10 days of the Court's decision. On November 8, 2024, Attorney General approved the summary as truthful and fair. Now, the Ohio Ballot Board will meet to determine if the proposed constitutional amendment is one issue or multiple. This proposed ballot issue is similar to another ballot issue proposed in 2020 on election process, which the Ohio Ballot Board found to be multiple issues. The group supporting that ballot issue filed a suit against the Ohio Ballot Board arguing the ballot issue should be considered only one issue, and won with a 5-4 vote of the Court. The Ohio Supreme Court at that time was led by Chief Justice Maureen O'Connor.

Protecting Ohioans' Constitutional Rights.

A group filed an initiative petition for a constitutional amendment to Article I of Ohio's Constitution on February 28, 2023. The constitutional amendment would create a private cause of action when a person's constitutional and/or legal rights are violated by a state, county, municipal government and/or political subdivisions. The amendment would also allow for attorney fees, damages and court costs for successful actions brought. On March 8, 2023, the Attorney General



rejected the summary because it had several misstatements and omissions that, as a whole, would mislead a potential signer as to the actual scope and effect of the proposed amendment. The group resubmitted the initiative petition on May 24, 2023 with a revised summary. On Friday, June 2, 2023, the Ohio Attorney General again rejected the group's summary. The group submitted their summary language again on November 8, 2023, and the Attorney General rejected the summary on November 17, 2023. The group submitted the language for a fourth time on March 5, 2024 and the Attorney General rejected the summary again on March 14, 2024. On March 20, 2024, the petitioner filed a complaint of writ of mandamus with the Ohio Supreme Court (case no. 2024-0409). The petitioners requested an expedited decision. The Ohio Supreme Court denied the petitioners' motion to expedite the case on March 26, 2024. Attorney General Yost filed a motion to dismiss this case on April 19, 2024.

After the Ohio Supreme Court denied an expedited court process, the petitioners filed a complaint (case no. 24-3354) against Attorney General Yost at the United States District Court Southern District of Ohio on March 27, 2024, the group requested an expedited proceeding along with preliminary injunction and temporary restraining order. Following a briefing schedule, the court denied the motion for a temporary restraining order and preliminary injunction on April 25, 2024. On April 26, 2024, the petitioners filed an appeal of the district court's decisions. A three-judge panel on the Sixth Circuit Court found the group's First Amendment rights have been harmed by Yost's repeated refusal to certify its summary. The panel ordered the Attorney General to file the summary with Ohio's ballot board as the next step. Attorney General Yost requested an en banc review, which is when the full bench of the U.S. Sixth Circuit Court of Appeals will review the case. On June 17, 2024, the Sixth Circuit Court of Appeals granted Attorney General Yost's request for an en banc review. The en banc hearing occurred on October 30, 2024. Parties are awaiting a decision.

After the en banc review was granted by the U.S. Sixth Circuit Court of Appeals, the group filed their ninth summary with the Attorney General, and again Attorney General Yost rejected the summary because it was not a fair and truthful statement of the proposed constitutional amendment. After the group of petitioners filed another case in the Ohio Supreme Court (case no. 2024-1047) and again asked for expedited treatment. The court denied the petitioners' motion to expedite. The case remains in its briefing stage.

III. Pending Legislation (2023-2024).

During the fall of 2024, the Ohio Legislature remained in recess and conducted campaign activities back in their home districts. The November General Election unveiled another red wave for Ohio, former President Trump and Vice President candidate J.D. Vance led the Republican ticket to victory in Ohio. Cleveland businessman Bernie Moreno successfully unseated U.S. Senator Sherrod Brown. Additionally, Issue 1, a constitutional amendment to create a citizen led redistricting commission, failed statewide.

Manufacturing Technologies Grants. Introduced on February 27, 2024, H.B. 435 (Demetriou, Santucci) establishes the Manufacturing Technologies Assistance Grant program to provide grants



for projects that increase the productivity, efficiency, and competitiveness of a manufacturing operation in Ohio. Before applying for a grant, an eligible manufacturer must obtain an assessment of the proposed project from the Ohio Manufacturing Extension Partnership (MEP) under the Department of Development. The bill appropriates \$12 million for fiscal year 2025. After two hearings in the House Finance Committee, the committee adopted a substitute bill, which ensured the funds were appropriated into the fund from the General Revenue Fund. The bill is pending in House Finance Committee.

Right to Repair. Similar to S.B. 366 in the last General Assembly, S.B. 73 proposes a new Chapter of the Revised Code that contains in whole the entire proposed “Digital Fair Repair Act.” Generally, the legislation applies to original equipment manufacturers of digital electronic equipment and parts. Senator Bill Blessing (R-Colerain Township) introduced S.B. 73 on February 28, 2023. S.B. 73 requires original equipment manufacturers to make available for the purposes of diagnosis, maintenance, or repair any documentation, parts, and tools, including to updates to information or embedded software to 1) independent repair providers; and 2) the owner of digital electronic equipment manufactured by or on behalf of, or sold or otherwise supplied by, the original equipment manufacturer. Violations of the Digital Fair Repair Act would be subject to the remedies permitted by the Consumer Sales Practices Act. S.B. 73 is similar to New York bill, S.B. 4101, which was recently signed into law in New York. The bill received three hearings in Senate Financial Institutions and Technology Committee in March. During the bill’s third hearing, there was large showing of opposition to the bill, including testimony from OMA.

Payment to Construction Contractors. Representative Bill Roemer (R-Richfield) and Representative Bride Rose Sweeney (D-Cleveland) reintroduced H.B. 68 language on June 6, 2023. The bill, now referred to as H.B. 203, was referred to House Commerce and Labor Committee. The committee held five hearings on the bill before reporting the bill out of committee on October 10, 2023. OMA provided opposition testimony along with the Ohio Hospital Association during the third hearing on June 27, 2023. The House passed the bill on December 6, 2023 by a vote of 72-12. Following the Senate referred the bill to Workforce and Higher Education Committee. H.B. 203 would require that the owners of private construction projects -- including manufacturers that are building, improving, or maintaining facilities in Ohio -- to pay contractors within 30 days of receiving an application for payment from the contractor or, if there is a process of certification of a payment application by a design professional, within 30 days after the payment application has been certified, whichever is later. H.B. 203 also contains provisions wherein late payments would be subject to a punitive 18% interest rate plus potential attorneys’ fees and costs. The bill received its first hearing on Senate Workforce and Higher Education Committee on June 26, 2024.

Workforce Voucher. S.B. 5, introduced by Senators Kirk Schuring (R-Canton) Nathan Manning (R-North Ridgeville), establishes a workforce voucher program, requiring the Director of Development to award vouchers to students at public and private institutions of higher education seeking degrees, certifications and licenses for in-demand jobs. The program terminates two years after the bill’s effective date. The Department of Development will create the method for selecting



voucher recipients based on the applicant's financial need and whether the degree, certification or license that is being pursued by an applicant qualifies for the voucher. S.B. 5 was referred to Senate Workforce and Higher Education Committee. No hearings for the bill have been scheduled.

Pay Stub Protection Act. Representatives Dontavius Jarrells (R-Columbus) and Scott Lipps (R-Franklin) introduced H.B. 106, which requires an employer, on the employer's regular paydays, to provide each of the employer's employees with a statement or access to a statement of the employee's earnings and deductions for the pay period. The bill was referred to House Commerce and Labor Committee. After three hearings, the committee reported the bill out of committee by a unanimous vote. The bill passed the Ohio House on June 30, 2023 and headed to the Ohio Senate. The Senate referred H.B. 106 to the Senate Small Business and Economic Opportunity Committee. On September 26, 2023, the Committee held its first hearing on the bill. The bill received its second hearing on April 9, 2024 for proponent testimony.

Unemployment Compensation. S.B. 116 revises Ohio's unemployment compensation law. Introduced by Senators George Lang (R-Wester Chester Township) and Mark Romanchuk (R-Ontario), S.B. 116 raises the taxable wage base used for calculating employer contributions under Ohio's unemployment compensation law from \$9,000 to \$9,500, beginning on January 1, 2024. The bill reduces, for benefit years beginning on and after the bill's effective date, the maximum number of weeks for which an individual may receive unemployment benefits in a benefit year from 26 weeks to a range of 12 to 20 weeks, based on Ohio's unemployment rate. S.B. 116 eliminates, for benefit years beginning on or after the bill's effective date, the dependency class caps for weekly unemployment benefit amount determinations and makes the maximum weekly benefit amount an individual may receive 50% of the individual's average weekly wage, up to 50% of the statewide average weekly wage. After introduction, the bill was referred to Senate Insurance Committee. So far, the bill has received three hearings, including proponent testimony offered by OMA.

IV. Tort Reform.

Counsel is currently monitoring various tort reform legislative efforts and await the possible re-introduction of certain civil justice legislative items from prior legislative cycles.

Third Party Litigation Funding. Senator Steve Wilson (R-Maineville) reintroduced the non-recourse civil litigation legislation, S.B. 19. Specifically, the bill requires a company engaged in the business of non-recourse civil litigation advance in Ohio to register with the Superintendent of Financial Institutions in the Department of Commerce and allow such agreements to be discoverable in the litigation process. The bill was referred to Senate Judiciary Committee, and received its first hearing on February 7, 2023. On December 6, 2023, the bill received a second hearing for proponent testimony, which included testimony from the Ohio Alliance for Civil Justice. During the second hearing, the committee adopted a substitute bill, which revised the definition of non-recourse civil litigation advance to include a cash payment of less than \$400,000



among other changes. Therefore, the current bill will only cover agreements that are less than \$400,000.

Asbestos Claims. S.B. 63, reintroduced by Senator George Lang (R-West Chester Township), requires a plaintiff in a tort action alleging an asbestos claim to file a sworn statement of specified disclosures within 30 days of filing the complaint. The plaintiff must disclose the following: the name, address, date of birth, marital status, occupation, smoking history, and current and past worksites of the exposed person and any person through whom the person was exposed to asbestos; each person through whom the exposed person was exposed to asbestos and the exposed person's relationship to each of these named people; each person who is knowledgeable about each exposure; the manufacturer or seller of each asbestos or asbestos-containing product and the specific product involved in each exposure; the specific location and manner of each exposure; the beginning and ending dates of each exposure, the frequency and length of each exposure, and the proximity of the asbestos-containing product or its use to the exposed person and to each person through whom the exposed person was exposed to asbestos; the specific asbestos-related disease that is alleged; and any supporting documentation relating to the required disclosures listed in this section. The bill was referred to the Senate Insurance Committee on February 22, 2023. Following its referral, the bill received six hearings in Senate Insurance. The committee reported the bill out during its sixth hearing on November 15, 2023. The bill was referred back to Senate Insurance Committee for an amendment, and was reported out again on May 22, 2024. Following on the same day, the Ohio Senate passed the bill by a 21-10 vote. The bill was referred to the House Insurance Committee, and received its first hearing on November 13, 2024.

Vicarious Liability/ Statute of Repose. H.B. 179, introduced by Representative Adam Mathews (R-Lebanon) and Representative Brian Stewart (R-Ashville), provides that the tolling of the limitations period during the defendant's absence or concealment does not apply to statutes of repose. For instance, it would not apply to the statute of repose for products liability. The bill also establishes that if tort liability arises against both a principal and agent, master and servant, employer and employee, or other persons having a vicarious liability relationship, the injured party may sue either the primarily liable agent, servant, employee, or person or the secondarily liable principal, master, employer, or person, or both. For the injured party to prevail in a tort action alleging vicarious liability against a secondarily liable person, both of the following apply: a primarily liable person committed the tortious act in the course of, and within the scope of, that person's agency or servant relationship with, or employment by, the secondarily liable person; and a primarily liable person is not a necessary party to the tort action alleging vicarious liability against a secondarily liable person, with certain exceptions. The bill was introduced in response to several Supreme Court cases decided in 2022. The bill was referred to House Civil Justice Committee and received four hearings before being amended and reported out of committee on June 20, 2023. After a few months below the line, the House brought the bill to the floor for a vote. On January 10, 2024, the bill passed out of the House chamber by a 91-0 vote. The Senate referred the bill to the Judiciary Committee. So far, Senate Judiciary Committee has held three hearings on the bill. The Ohio Alliance for Civil Justice, which OMA is a member, provided written interested party testimony on the bill because the language regarding vicarious liability remains unclear and



problematic. Senate Judiciary Committee reported the bill out of committee on June 26, 2024. Following on the same day, the full Senate considered H.B. 179 and passed it by a vote of 31-0. Governor DeWine signed the bill into law on July 15, 2024, and the bill became effective on October 24, 2024.

V. Energy Related Legislation.

Energy Efficiency. Representatives Bill Seitz (R-Cincinnati) and Bride Rose Sweeney (R-Cleveland) introduced H.B. 79 on February 27, 2023. Similar to H.B. 389 from the 134th General Assembly, H.B. 79 allows electric distribution utilities to apply to the Public Utilities Commission of Ohio for approval of portfolio programs for energy savings, such as energy efficiency savings and peak demand reduction savings. After four hearings, the House Public Utilities Committee adopted a substitute bill and reported it out of committee on June 21, 2023. During the House's last session before summer recess, the chamber passed H.B. 79 with a vote of 50-45.

Electric Security Plans. Senator Shane Wilkin (R-Hillsboro) reintroduced a bill, S.B. 102, which revises ratemaking for electric distribution utilities (EDU). This bill is based off a previous version from the 134th General Assembly, H.B. 317. Under S.B. 102, an EDU must file a distribution rate case every five years. The bill allows for EDUs to apply for a Standard Service Offer Plan (SSO Plan). Under a plan, all direct and indirect costs that an EDU incurs to support or provide its SSO must be recovered through an SSO price. The bill requires the Public Utilities Commission of Ohio to authorize certain riders, programs, lease financing arrangements, and cost recovery for certain infrastructure projects held for future use. Thus far, the bill has received three hearings in the Senate Energy and Public Utilities Committee. OMA presented opposition to the bill during its third hearing on June 20, 2023. On November 14, 2023, the Senate committee met and held a fourth hearing on S.B. 102 and adopted a substitute version. On December 5, 2023, the committee held a fifth hearing on the bill and amended it again. The latest amendment restores previously removed language on energy storage systems, permits cash payments in settlements to implement low-income weatherization service programs, and clarifies if the Public Utilities Commission of Ohio does not approve or deny a lease financing arrangement by the 120th day after filing it must be denied without prejudice. During the same hearing, the committee heard opponent testimony from the Ohio Manufacturers' Association.

Natural Gas Infrastructure. Senator Mark Romanchuk (R- Ontario) introduced S.B. 121 on May 16, 2023 and it was referred to Senate Energy and Public Utilities Committee. If enacted, S.B. 121 increases the monthly amount that a natural gas company can recover from a customer under the infrastructure development rider from \$1.50 to \$3. The bill also revises the types of activities that are considered "infrastructure development" under the rider to include the upgrading, extension, or any other investment in, or investment associated with, transmission or distribution owned and operated by a natural gas company. Lastly, S.B. 121 expands "infrastructure development costs" that may be recovered from natural gas customers to also include a return on all infrastructure development costs associated with the economic development project that is equal to the company's return on equity under its most recent rate case. The Senate placed a similar provision



to the budget bill in their version of the operating budget, but ultimately the provision did not make it in the final version of the budget.

Community Solar. Introduced in June 2023, H.B. 197 amends the state electric policy to add provisions relating to community solar facilities, and the establishment of the Community Solar Pilot Program and the Solar Development Program. Sponsors, Representative Jim Hoops (R-Napoleon) and Sharon Ray (R-Wadsworth), introduced language similar to the bill from the last General Assembly. The bill was referred to House Public Utilities Committee and received one hearing before the end of legislative activity for the summer. However, the sponsors continued to hold interested party meetings with key stakeholders, including OMA. The committee held a second hearing on the bill on September 20, 2023 and followed up with a third and fourth hearing. During the third hearing, the committee adopted a substitute bill. The substitute bill included exclusions for industrial users and solar panel decommissioning requirements. The bill received its fifth hearing on April 24, 2024 and its sixth hearing on May 8, 2024. During the bill's seventh hearing on May 22, 2024, the bill was amended again. The amendments adopted during the May 22nd hearing allowed for community solar projects to be sitting on rooftops and eliminated the distressed site bill credit.

Elimination of Electric Security Plans. On August 24, 2023, Senator Mark Romanchuk (R-Ontario) introduced S.B. 143 to eliminate electric security plans and require all electric standard service offers to be delivered through market-rate offers. In September, the bill was referred to Senate Energy and Public Utilities Committee. On December 12, 2023, Senator Romanchuk provided sponsor testimony to the committee. Following on January 23, 2024, proponents of the bill provided testimony to the committee. OMA, Ohio Consumers' Counsel, National Federation of Independent Businesses, Ohio Hotel & Lodging Association and Ohio Chemistry Technology Council provided proponent testimony during the hearing.

Revisions to Rate Cases. On September 19, 2023, Representatives Bill Seitz (R-Cincinnati) and Monica Robb Blasdel (R-Columbiana) introduced H.B. 260, which requires an EDU to file a rate every five years. The bill also adds a new requirement for determining who may intervene in a PUCO proceeding by specifying that any person who may be "adversely and directly affected" by a proceeding may intervene, which differs from the current law requirement that specifies that any person who may be "adversely affected" may intervene in the proceeding. The bill was referred to House Public Utilities Committee. Following the referral, the bill received its first hearing on January 24, 2024. During the second hearing on H.B. 260 on April 24, 2024, the bill was amended to prohibit cash settlement payments and bars double recovery in which customers could be charged twice to recover the same costs. The bill was amended again during the bill's third hearing on May 8, 2024. Now the bill requires the fully forecasted test period used for rate cases to utilize a rate base that, in addition to being reasonable forecasted, is normalized. Additionally, the amendments provided the PUCO 24 months from the effective date, rather than 12 months, to establish annual reliability performance standards and enable the Commission to stagger the



schedule for related proceedings. OMA provided written opponent testimony on the bill during its third hearing. On May 22, 2024, the bill received its fourth hearing.

Rate Refunds. Representative Rachel Baker (R- Anderson Township) introduced H.B. 393 on February 1, 2024. The bill, if enacted, requires the PUCO to issue an order requiring the refund of any amounts collected by a public utility from consumers determined to be unlawful if the PUCO decision permitting that collection is reversed by the Ohio Supreme Court. The bill was referred to the House Public Utilities Committee. H.B. 393 received sponsor testimony during its first hearing on June 12, 2024.

Carbon Capture. Representative Monica Robb Blasdel (R- Columbiana) introduced H.B. 358, which declares the General Assembly intent to establish a comprehensive regulatory framework to ensure the safe and secure deployment of carbon capture and storage technologies in the state, which encompass point-source carbon dioxide capture from large emissions sources and direct air capture, and the geologic sequestration for long-term carbon dioxide storage into reservoirs of geologic formations. H.B. 358 was referred to the House Energy and Natural Resources Committee. Companion legislation, S.B. 200, was introduced by Senator Al Landis (R- Dover) and Senator Tim Schaffer (R-Lancaster). The bill was referred to Senate Energy and Public Utilities Committee. S.B. 200 received its first hearing on April 9, 2024 and the hearing included an informational panel on the subject.

H.B. 358 received its first hearing on June 12, 2024, and the hearing included an informational panel on the subject. Full language for both pieces of legislation has not been adopted by either House or Senate committee.

Virtual Net Metering. Senator Matt Dolan (R- Chagrin Falls) introduced S.B. 275 on May 22, 2024. Following, the bill was referred to Senate Energy and Public Utilities Committee. Thus far, the bill has received three hearings since referral to the committee. If enacted, the bill requires Ohio's electric distribution utilities to create a standard contract or tariff for virtual net metering. Under the bill, "virtual net metering" means measuring the difference in an applicable billing period between the electricity supplied by an electric utility and the electricity from a virtual net metering system attributed to a virtual net metering customer that is fed to the electric utility.

VI. Political Updates.

U.S. Senate. Cleveland Business Bernie Moreno successfully unseated U.S. Senator Sherrod Brown (D). Since U.S. Senator J.D. Vance secured the Vice President role for the next four year, Governor DeWine will appoint someone to Senator Vance's seat. There is a long list of individuals who may be considering throwing their hat in the ring, including Lt. Governor Husted, Jane Timken and current Congressman Mike Carey. Whoever is appointed by Governor DeWine will need to run again in a special election 2026.



Ohio Supreme Court. All three Republican candidates, Current Justice Joe Deters (R), Hamilton County Court of Common Pleas Judge Megan Shanahan and Franklin County Court of Common Pleas Judge Dan Hawkins defeated their Democratic opponents, Justice Melody J. Stewart, Justice Michael P. Donnelly, Eighth District Court of Appeals Judge Lisa Forbes. The Ohio Supreme Court partisan make up is Republican, except Justice Jennifer Brunner. Justice Brunner is rumored to be running for Governor in 2026, and if so, she would have to resign from her Supreme Court seat before kicking off her campaign. Judge Hawkins will have to run again in 2026 since he ran for the remainder of Chief Justice Kennedy's seat, which expires December 31, 2025.

Ohio House. Ohio House Republicans maintained their veto proof majority at 64 members, but lost their 2/3 majority needed to pass an emergency clause without their Democrat colleagues. House Democrats gained two new members to be at 35 for next general assembly. The Dean of the Republican caucus, Representative Jim Hoops, shared a memo with his Republican colleagues informing them the caucus vote for Speaker is scheduled for November 20, 2024. As you may recall, President Matt Huffman (R-Lima) is seeking to unseat current Speaker Jason Stephens (R-Kitts Hill). A third candidate, Representative Ron Ferguson (R- Wintersville), has also thrown his hat into the ring for Speaker.

Ohio Senate. Senate Democrats gained a few new members, current Representative Willis Blackshear Jr. (D- Dayton) won the 6th Senate District. Additionally, Representative Beth Liston (D-Dublin) and Representative Casey Weinstein (D-Hudson) won their races to switch chambers. The Senate partisan make up for the 136th General Assembly will be 24-9.

VII. Litigation Updates.

A. Monitored cases

1. *State of Ohio v. Du Pont de Nemours and Co., Washington County Common Pleas Court, Case No. 18OT000032 (dismissed); Fourth District Court of Appeals, designated as Case No. 19CA000015 (dismissed); Fourth District Court of Appeals, Case No. 20CA000030 (dismissed); Fourth District Court of Appeals, Case No. 21CA000022 (dismissed); Fourth District Court of Appeals, Case No. 24CA000001*

On February 8, 2018, Ohio Attorney General Mike DeWine filed a lawsuit against DuPont and the Chemours Company in the Washington County Common Pleas Court alleging that the company released perfluorooctanoic acid (PFOA) from its 1,200 acre facility on the Ohio River for decades, all while knowing the harm the toxic chemical posed to people and the environment.

The complaint cites a 2017 University of Cincinnati study that found residents of the Mid-Ohio River Valley had elevated levels of PFOA. The state further alleges that at least 150,000 pounds of the chemical used to manufacture Teflon products was put into the Ohio River in the 1980s and an additional 350,000 pounds was discharged into the river in the 1990s. The complaint



alleges that DuPont negligently caused environment contamination and created a public nuisance through its release of PFOA in the air, soil, and water.

The State is asking for (1) a declaration of DuPont's duty to compensate the state for expenses related to the contamination from the chemical; (2) damages for injury to the state's natural resources; (3) an award of present and future costs to clean up the contamination; and (4) restitution damages for profits DuPont obtained through the conduct alleged in the complaint.

On April 12, 2018, Defendants each filed a motion to dismiss. DuPont argues that the court lacks jurisdiction because the US EPA consent orders preempt such claims and that the state lacks standing. Defendant Chemours Company's motion to dismiss argues that the state failed to state a claim upon which relief can be granted against Chemours. On May 14, 2018, the state filed its memoranda in opposition to Defendants' motions to dismiss, and DuPont filed its reply in support. An oral hearing was held on this motion on July 20, 2018.

On October 12, 2018, the Little Hocking Water Association ("Little Hocking") filed a motion to intervene as a plaintiff. The State opposed the motion. This motion has been fully-briefed and the parties are awaiting the Court's decision.

In January 2019, this case was assigned to Judge Timothy Hogan, a retired judge from Hamilton County, Ohio. In late February, Plaintiff requested a status conference with the Court in late March to address the pending motion to dismiss, the pending motion to intervene, and to discuss a scheduling order.

On June 4, 2019, the court denied the Defendants' motions to dismiss and also denied Little Hocking's motion to intervene. On July 5, 2019, Little Hocking filed a motion for reconsideration, which awaits the court's decision.

On July 5, 2019, Little Hocking also appealed from the June 4 decision denying its motion to intervene. This appeal is pending in the Fourth District Court of Appeals, designated as Case No. 19CA000015. On July 25, the Court of Appeals ordered Appellant to file a memorandum addressing the issue of jurisdiction. Ultimately, the appeal was dismissed for lack of a final appealable order.

On July 29, 2019, Plaintiff filed an amended complaint to add claims for actual and constructive fraudulent transfer under the Uniform Fraudulent Transfer Act, R.C. 1336.01, *et seq.* On August 28, 2019, Defendant filed a motion to separate and stay Plaintiff's claims for actual and constructive fraudulent transfer. The State opposed this motion. On December 26, 2019, the Court denied this motion. On January 15, 2020, Defendants filed their answers to the amended complaint.



On March 12, 2020, the court granted Plaintiff's motion to compel discovery. The court indicated that it was not impressed with some of the Defendants' objections to discovery and stated that, "discovery, if obstructed, shall be met with punishing sanctions."

A new case scheduling order was issued on October 16, 2020, which sets the following deadlines: (1) fact discovery – February 26, 2021; (2) expert discovery – November 30, 2021; and (3) dispositive motions – January 15, 2022. The trial was scheduled to begin on April 4, 2022.

Also, on October 16, 2020, the Court found Defendants to be in noncompliance with some of its previous orders. It ordered Defendants to produce all documents responsive to Plaintiff's First Request for Production of Documents without regard to privilege. If the State intends to use a document, then Defendants may assert a privilege and seek an in camera review.

On October 23, 2020, DuPont appealed to the Fourth District Court of Appeals (Case No. 20CA000030) from the October 16, 2020 order to the extent it requires the production of privileged information. On October 26, it also filed an emergency motion for stay pending the outcome of the appeal. Plaintiff opposed the motion to stay. On July 22, 2021, the Fourth District Court of Appeals dismissed the appeal for lack of a final appealable order.

On November 2, 2020, Plaintiff filed a motion for leave to file its second amended complaint due to DuPont's corporate reorganization and alleged attempt to transfer its assets. DuPont opposed this motion. The second amended complaint was filed on March 3, 2021. Answers were filed on April 1, 2021.

On December 22, 2020, the Court ordered Defendants to produce the Corporate Environmental Database and other items listed in Plaintiff's December 2, 2020 letter. The court further indicated that failure to comply by December 15, 2020 "will result in an evidentiary sanction."

Judge Hogan retired, effective December 31, 2020 and withdrew from the case. Retired Judge Richard McMonagle was assigned as the presiding judge for this case effective February 1, 2021.

On April 1, 2021, Defendants moved to dismiss Plaintiff's unjust enrichment claim, which was denied on May 12. Also, on April 1, 2021, Defendants moved to join the Ohio EPA and its Director as real parties in interest. This motion was denied on May 17.

On April 26, 2021, Defendants Corteva, Inc. and DuPont de Nemours, Inc. moved to dismiss the complaint for lack of personal jurisdiction.

On May 10, 2021, Plaintiffs moved for partial summary judgment on the assumption of liabilities of Corteva Inc. and DuPont de Nemours, Inc.



On May 18, 2021, the Court set a final pretrial and settlement conference for October 4, 2022, and trial on November 1, 2022.

On June 11, 2021, E.I. du Pont de Nemours and Company's filed a Motion for a Protective Order Over Documents Plaintiff Seeks from Third-Party Deloitte.

On June 17, 2021, Plaintiff filed a Motion to Compel Discovery from Defendants E.I. du Pont de Nemours and Co. and The Chemours Company.

On July 2, 2021, the court amended the scheduling order. A final pretrial and settlement conference was scheduled for October 4, 2022. The trial was scheduled for November 1, 2022.

On August 4, 2021, the court denied Corteva and DuPont's Motion to Dismiss and granted plaintiff's cross-motion for partial summary judgment on the assumption of liability.

On August 5, 2021, Plaintiff filed a Motion to Compel Production of Documents Improperly Withheld on the Basis of Privilege by Third-Party Deloitte Transactions and Business Analytics LLP, which has been fully briefed. On August 17, 2021, Plaintiff filed a notice of deposition for Deloitte's deposition. In late October and early November, Plaintiff filed several notices of depositions duces tecum on governmental agencies, including the Ohio EPA and the Ohio Department of Health.

On November 19, 2021, the Court denied Defendants' motion for a protective order, which was filed on August 13, 2021. The order requires Defendants to produce all documents requested regardless of privilege.

On December 30, 2021, Defendants filed a notice of appeal of this order in the Fourth District Court of Appeals (Case No. 21CA000022) requiring Defendants to produce privileged documents. The appeal was dismissed on March 25, 2022.

On December 3, 2021, the State filed an expedited motion to stay the agency depositions that Defendants have noticed and to hold Defendants in contempt for not providing the documents ordered to be provided on November 19, 2021. This motion has been fully briefed.

On December 30, 2021, DuPont appealed to the Fourth District Court of Appeals (Case No. 21CA000022) from the November 19, 2021 order requiring defendants to produce privileged documents.

An Amended Scheduling Order was filed on May 3, 2022. A status conference was held on September 29, 2022.



On May 18, 2022, defendants filed a motion for summary judgment. Defendants' motion for summary judgment was denied on July 19, 2022.

On August 22, 2022, Plaintiff filed a motion for further sanctions seeking entry of default judgment against Defendants E.I. DuPont de Nemours and Co. and The Chemours Company. On September 14, 2022, Defendants filed an opposition to plaintiff's motion for entry of default judgment, and plaintiff filed its reply in support on September 26, 2022.

On October 3, 2022, the court filed an amended scheduling order: fact discovery due February 13, 2023; second supplemental expert disclosures due February 13, 2023; plaintiff's experts' reports due March 3, 2023; defendants' experts' reports due May 3, 2023; expert discovery due August 3, 2023; dispositive motion due September 29, 2023; responses to dispositive motions due October 30, 2023; replies in support of dispositive motions due November 15, 2023; final pretrial conference scheduled in January 2024; and trial is set for February 2024, but no date has been specified.

On November 3, 2022, the court filed a procedural order appointing a special referee to hear and make recommendations regarding privilege and work product determinations. On November 7, 2022, the court filed an order stating that, before the court enters a protective order, Deloitte is ordered to produce a privilege log so that the court and plaintiff can weigh old DuPont privilege claims over individual documents. Production is to be completed by December 20, 2022. A hearing on objections is set for January 11, 2023.

On December 19, 2022, Plaintiff filed (under seal) its Position Statement Regarding the Challenged Documents. On January 18, 2023, Defendant filed (under seal) its Position Statement Regarding the Challenged Privileged Documents. On February 10, 2023, Plaintiff filed (under seal) its Reply in Support of its Position Statement Regarding the Challenged Documents. No ruling has been made yet.

On January 11, 2023, (1) Plaintiff filed a letter to the Court addressing the Motion to Compel that was filed. That same date, (2) E.I. DuPont filed a letter to the Court in response to Plaintiff's letter asking the Court to rule on a Motion to Compel; and (3) Plaintiff filed a letter to the Court addressing the privilege log that was served on December 30, 2022. On January 19, 2023, Defendants E.I. du Pont de Nemours and Company filed a response to Plaintiff's January 10 letter challenging the privilege log. On January 18, 2023, Defendants filed its position statement regarding the challenged privileged documents (under seal). On February 10, 2023, Plaintiff filed its reply in support of its position statement (under seal).

On February 23, 2023, Plaintiff filed its notice of supplemental authority, and Defendant filed its response to same. On May 4, 2023, the court filed an Order regarding supplemental discovery. The court ordered E.I. DuPont to conduct a search for the documentation referenced in Plaintiff's April 10, 2023 letter and, to the extent such document(s) exists and is/are reasonably



accessible, to produce any and all non-privileged, responsive documentation, that has not already been produced on or before June 1, 2023 and supplement its prior written discovery responses as necessary.

On April 24, 2023 several notices of deposition subpoenas were issued, including to the Ohio Department of Natural Resources, Ohio Environmental Protection Agency.

On July 21, 2023, a Stipulation related to discovery on fraudulent transfer claims was filed.

On July 31, 2023, an Amended Scheduling Order was filed, scheduling the trial in October, 2024, with a date not yet specified. The Court also filed an order granting, in part defendant's motion to compel and stating that plaintiffs must submit its expert report as scheduled, which must comply with the information sought by defendants.

On November 6, 2023, Plaintiff filed objections to Special Referee's privilege recommendations on Challenged Documents (filed under seal). The First Report and Recommendation of Special Referee was filed on November 7, 2023 (filed under seal). Defendants objected to the Report and Recommendation of Special Referee on November 7, 2023.

A Consent Judgment was filed with the court on December 7, 2023. This case was settled/dismissed and terminated on December 8, 2023 and a final appealable order was filed on December 8, 2023.

On January 2, 2024, a Notice of Violation of Court Order and Motion to Reopen and Stay Effect of Consent Judgment to Allow Court-Ordered Process was filed with the court. Plaintiff filed its Response and Opposition to the notice on January 5, 2024.

On January 10, 2024, a Notice of Appeal to the Consent Judgment was filed by the Little Hocking Water Association ("LHWA") to the Fourth District Court of Appeals (Case No. 24CA000001).

On January 12, 2024 (in Case No. 18OT000032), Little Hocking filed an amicus brief seeking ruling clarifying consent judgment and requiring public process for implementation. On May 2, 2024, the court filed an order denying all other relief requested in Little Hocking's brief, both on the merits and because it lacked standing to see post-judgment relief under Civ.R. 60 and 70; and (2) denying all relief requested in the brief for the reasons set forth in plaintiff's response thereto.

In Case No. 24CA000001, DuPont and others filed a motion to dismiss this appeal for lack of standing of LHWA. On January 22, 2024, LHWA filed an opposition to the motion to dismiss. On January 10, 2024, LHWA filed a motion to stay appeal and to remand to the trial court for consideration of its Rule 60(B) motion. DuPont and others opposed this motion. On February 21,



2024, the court denied the appellees' motion to dismiss the appeal, and denied LHWA's motion for stay of appeal and limited remand.

On March 8, 2024, LHWA filed its brief. On March 28, 2024, DuPont and the State of Ohio filed their briefs. On April 8, 2024, LHWA and filed its reply brief.

On June 14, 2024, oral argument was requested by the State of Ohio and also by DuPont on July 18, 2024. The court scheduled the oral argument for August 8, 2024. No decision has been issued to date.

VIII. Tax Updates.

A. Selected Proposed Ohio Legislation

Regards Payment of Property Tax, Sale of Tax-foreclosed Property - S.B. 186

Introduced in November 14, 2023, S.B. 186, would require all delinquent and current property taxes on real property to be paid before the property is sold or subdivided and it would prohibit the transfer of property sold at a tax foreclosure sale unless the purchaser supplies an affidavit stating that the purchaser or certain related parties do not own tax delinquent property in the state or that such delinquency is justified or erroneous. The Senate passed on June 12, 2024. It was introduced in the House on June 17, 2024 and referred to the House Ways and Means Committee on June 18, 2024.

B. Update to Previously Tracked Legislation

Eliminate Replacement Property Tax Levies – H.B. 344

On May 1, 2024, the House Ways and Means Committee passed a substituted version of H.B. 344, and it is now headed to the House floor for a vote. H.B. 344 eliminates the authority of political subdivisions to levy replacement property tax levies, beginning with elections held on or after October 1, 2024. Likewise, the bill modifies existing law imposing certain limitations on property tax challenges in the board of revisions (BOR).

Revise Law Governing Property Taxes and County Auditors – H.B. 496

H.B. 496 modifies the information a county auditor must certify in the process of submitting a property tax levy to voters. H.B. 496 also includes a number of administrative modifications to the process for challenging property taxes with the county board of revision (BOR). This bill is similar to, and captures a portion of H.B. 33 that was removed before it went to a general vote. H.B. 496 was introduced on April 22, 2024, and referred to the Ways and Means Committee April 30, 2024. It passed the House on June 26, 2024 and was introduced to the Senate on July 2, 2024. It was referred to the Senate Ways and Means Committee on October 12, 2024.



Phase-out of Ohio’s Personal Income Tax and Commercial Activity Tax – H.B. 386 & S.B. 216

On January 24, 2024, both Chambers of the Ohio General Assembly introduced nearly identical proposals that operate to phase out Ohio’s nonbusiness personal income tax, repeal the CAT, and reduce the number of estate income brackets. On May 14, 2024, the House Ways and Means Committee resumed its debate on HB 386, with skeptics questioning the replacement of revenue for the cuts proposed under the legislation, and proponents insisting economic movement would close the gap.

Addressing Fraudulent Business Filings – S.B. 98

S.B. 98, which seeks to inhibit fraudulent business filings by providing the Ohio Attorney General and Secretary of State greater authority to investigate complaints of fraudulent and deceptive business practices, was based on the Senate on December 13, 2023. It went to the House State and Local Government Committee on January 9, 2024 and passed the House on June 26, 2024 with the Senate concurring on House amendments on the same day. It was signed by the Governor on July 24, 2024 and became effective October 24, 2024.

S.B. 98 prohibits filings under the Commercial Transactions Law or the Corporations and Partnerships Law that include the name or address of another person without their consent or that are submitted by a person that lacks authority to make the filing (i.e., “fraudulent filings”) and authorizes any person who believes the person has been impacted by a fraudulent filing to file a complaint with the Secretary of State (SOS). The bill also requires the SOS to review each complaint and allows the SOS to forward any likely violations to a county prosecutor for criminal investigation.

Nonprofit Corporation Law and Dissolving Corporations - H.B. 301

H.B. 301, which proposes to align more closely Ohio’s nonprofit corporation law with its general corporation law, was passed by the House on April 24, 2024. It was referred to the Senate Judiciary Committee on May 8, 2024. The Bill was passed by the Senate on June 26, 2024 and signed by the Governor on July 24, 2024. H.B. 301 became effective October 24, 2024.

H.B. 301 specifies the fiduciary duties required of an officer of a nonprofit corporation including a duty for the officers of nonprofits to act in good faith, similar to the fiduciary duties imposed under Chapter 1701 of the Revised Code on officers of for-profit corporations. H.B. 301 also provides that absent an express agreement to the contrary, nonprofits providing goods to or performing services for a domestic or foreign corporation does establish any duty, liability, obligation, or privity with the corporation or any member or creditor of the corporation. It requires nonprofit corporation directors to be natural persons (i.e., individuals rather than business entities) and revises the standards for determining liability of directors when nonprofit corporations make loans and the interest rate relating to that liability.



C. Judicial Actions

Following the Ohio Supreme Court's decision in *Schaad v. Alder*, Slip Op. No. 2024-Ohio-525 (Feb. 14, 2024), the Ohio cases stayed pending that decision have been reactivated or resolved.

Dr. Manal Morsy v. James E. Gentile, CA-22-112061, which was pending in the Cuyahoga Court of Appeals was voluntarily dismissed on Appellant's motion, with judgment satisfied.

Krešević v. Chittok, Case No. CV-2023-01-0031, pending in the Summit County Court of Common Pleas, has been reactivated, with a pretrial hearing scheduled for June 4, 2024. Another pretrial hearing is scheduled for December 10, 2024. *Krešević* involves a medical assistant who worked in, and was subject to the municipal withholding taxes of the City of Akron was fired from her position in 2020. She successfully sued her former employer in a wrongful termination suit. However, the City of Akron withheld municipal income taxes from the settlement fund. The question raised by the plaintiff is whether the City of Akron is entitled to withhold taxes on the settlement under Section 29. More specifically, it asks whether Section 29 entitles a municipality to withhold from the settlement in a wrongful termination case.

Rover Pipeline LLC c/o Energy Transfer L.P. v. Tax Commissioner of Ohio, et al. BTA Case No. 2020-1540, Appeal to the Ohio Supreme Court, Case No. 2024-0484. *Rover* concerns a natural gas pipeline spanning across Appalachia, through Ohio and into Michigan. The case involves the proper valuation of the Ohio portion of Rover's pipeline as to Ohio's public utility personal property tax. *Rover* is appealing the decision by the Ohio Board of Tax Appeals in that the valuation method and calculation was incorrect. On May 2, 2024, The Ohio Supreme Court has referred this matter to mediation and suspended all deadlines at this time. On August 6, 2024, The Ohio Supreme Court returned the case to the regular docket. Appellant's merit brief was filed on October 7, 2024. On November 5, 2024, the Court issued a stipulation to extension of time to for the Appellee to file merit brief to November 26, 2024.

Appeal from the Board of Tax Appeals:

Aramark Corp., v. Harris, Case No. 2023-1540, Ohio Supreme Court. On December 5, 2023, Aramark Corporation appealed the November 6 2023 Decision of the Board of Tax Appeals ("BTA") (B.T.A. No. 2019-2975, 2023 WL 7431918 (Nov. 6, 2023)). In it, the BTA applied the *Stingray Pressure Pumping, LLC*¹ review standard and determined that Aramark Corporation ("Aramark") could not exclude certain taxable gross receipts under the agency exception to the Commercial Activity Tax ("CAT") because it failed to demonstrate that transactions arose from an agency relationship between Aramark and its clients and were not simple business transactions.

¹ *Stingray Pressure Pumping, LLC v. Harris*, Slip Op. No. 2023-Ohio-2598 (Aug. 2, 2023).



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The matter was fully briefed as of April 22, 2024, and is pending decision. On October 9, 2024, the Court scheduled oral arguments to be held on February 19, 2025.

D. Administrative Actions

None to report.

To: OMA Government Affairs Committee
From: Lindsey Short
Re: Energy Public Policy Report
Date: November 21, 2024

Overview

Grid reliability is critical to the success of Ohio's manufacturing industry, which is dependent on reliable and affordable energy. Utilities assert that Ohio faces an imminent shortfall of generating and transmission capacity due to increased demand from new technologies and the retirement of old plants. The perception of this purported shortfall has resulted in recent calls by Ohio legislators to end the deregulated electricity market and allow electric utilities to reenter the generation market. Such a move would diminish competition, drive up prices, and create a financial windfall for utilities.

Unsubstantiated claims of a constrained electric grid could also lead to unneeded, costly transmission lines being built. Meanwhile, opaque and unchecked spending on local transmission projects continues to drive up customer electricity costs with no improvement in electric reliability. See more in transmission section.

The legislature has returned to Columbus to kick off their lame duck session which will conclude by the end of the year. House and Senate committees are considering various proposals on electricity ratemaking reform, energy efficiency programs, community solar, regulation of carbon capture and storage technologies, and more. While there are many pieces of energy policy pending, only two pieces of standalone energy legislation have been enacted into law during this General Assembly.

Re-Regulation Threat

Ohio has operated under a deregulated power generation market for over two decades. Electricity generation prices are no longer set by state regulators but by auctions and only transmission and distribution systems remain regulated monopolies. New, efficient plants have been built and older, less-efficient plants have been shut down. Customers can choose between electricity suppliers and regularly switch among them. Prices are determined by grid operator PJM via competitive auctions, and PJM manages the flow of power across the region to guarantee reliability.

Throughout this time, electric utilities have struggled to adapt and now some want to end deregulation and reenter the electric generation market supported by new mandatory customer fees to pay for the costs of building new power plants that are owned by utilities.

Instead of re-regulation, Ohio should enhance transparency and accountability in utility spending, particularly for transmission investments, and stay the course by maintaining competitive power markets. Regulatory oversight must ensure that customer funds are used effectively and that infrastructure investments align with actual needs. Emphasizing decentralized power plants and exploring distributed energy resources could provide cost-effective solutions to potential grid constraints.

Skyrocketing Transmission Spending

A second proposal advanced by the electric utilities would facilitate even more transmission buildout. Despite the billions in fees that customers have been forced to pay utilities to build and

upgrade their transmission systems, no one really knows where that money has gone and whether it will actually meet Ohio's future economic needs. For example, AEP transmission rates have already skyrocketed 300% during this period while customers saw widespread transmission system failures or near failures in 2022.

Most of the transmission spending is due to new supplemental transmission projects. These projects are presently exempt from regulatory scrutiny and result in a high return. Ohioans are paying approximately \$1 billion per year for transmission improvements, often in the name of reliability, with no required documentation for the need of the improvement, or that an improvement happened to increase reliability on the grid.

Regulators and economic developers have an opportunity to work together to ensure state policy and plans for infrastructure reflect the needs of Ohio as a whole. Information on available transmission capacity needs to be shared more readily and regulators need to scrutinize transmission spending so that Ohio's ratepayer dollars are used effectively for new lines where needed, for reliability improvements where needed, and with transparent justification to customers.

Recently, FirstEnergy and AEP announced they would team up with Dominion Energy Virginia to ship Ohio power to the East Coast. Ironically, the announcement would contradict these same utilities' claim of a local power shortage.

Questionable Stewardship by Grid Operator, PJM

Timely capacity auctions are critical to procure new power plants to replace retiring plants. After years of delay, PJM finally held its capacity auction in July to secure commitments from power generators to deliver electricity. The results demonstrated a comfortable reserve margin of 18%, well above the amount required to maintain grid reliability. PJM's reserve margin shows there is not a shortage of electricity in Ohio. However, prices are rising to attract generation in a hurry following years of PJM delaying their capacity auction. Customers will bear the brunt of PJM's costly auction delays, resulting in a nearly tenfold capacity price increase that will cost consumers nearly \$12 billion.

Now, PJM has once again requested the Federal Energy Regulatory Commission (FERC) to delay its capacity auction. PJM's delay comes amidst a FERC complaint and multiple challenges that its auction rules are creating paper-only supply shortages, driving up customer costs by billions with no reliability improvement.

Proposed Tariff on Energy Intensive Customers

AEP Ohio has proposed to establish a new rate class for energy intensive customers, specifically data centers, at the Public Utilities Commission of Ohio. The proposal would create two new classes of customers without evidence of need and without a proper cost of service study, setting a discriminatory precedent against one business type.

The OMA has pushed back on this proposal, cautioning against a potential "slippery slope" precedent that could be set to penalize energy intensive users. Competitive markets will best deliver the necessary generation supply.

Legislation Watch List

Details on energy proposals of note below:

- **Electricity Ratemaking**

Electricity ratemaking reform has been a consistent topic of discussion over the past few General Assemblies. One of the proposals, Senate Bill 102, fails to eliminate electric security plans (ESPs). Rather, SB 102 would replace ESPs with a rate case of another name that would allow utilities to park entirely new categories of costs inside of distribution charges, imposing new costs on manufacturers without offsetting benefits. The OMA is opposing this legislation with significant concerns regarding how consumers' electricity bills will be affected.

Another bill has been introduced in the House that also fails to eliminate ESPs, HB 260. HB 260 would create new distribution riders, which are referred to as "trackers" in this legislation and would weaken customer protections. This bill has the support of Ohio's electric distribution utilities and is opposed by the OMA. The OMA provided opposition testimony on this proposal to House Public Utilities Committee prior to the summer recess.

- **Electric Security Plan Repeal**

Senator Mark Romanchuk has sponsored an OMA-supported bill, Senate Bill 143, to effectively repeal ESPs. ESPs have served as a mechanism that allows utilities to request the PUCO to approve customer charges that exceed market prices. This has turned into a windfall for regulated industries by allowing utilities to increase profits through numerous above-market charges added to customers' bills.

SB 143 would push utilities toward Market Rate Offers, which are more favorable to consumers and manufacturers. SB 143 is a win for manufacturers that will help lower costs on energy bills and increase consumer protections.

The OMA, along with other business groups representing energy customers across a wide variety of sectors, testified in support of the bill during a committee hearing earlier this year.

OMA Energy Committee Chairman Brad Belden, president of The Belden Brick Company, and Tim Ling, corporate environment director for Plaskolite, testified on behalf of the OMA in support of this legislation.

- **"Energy Efficiency"**

Even though Ohio's electric utilities supported House Bill 6 that eliminated utility-administered energy efficiency programs, some utilities are backing a past legislative concept to reinstate those programs. The OMA supports meaningful energy efficiency, but not utility giveaways. During the last General Assembly, we saw a proposal that would effectively give utilities control of competitively owned renewable energy and partially restore the HB 6 decoupling giveaway with "lost distribution recovery." This bill was reintroduced as House Bill 79 and narrowly passed out of the House prior to the legislature's summer recess following many attempts to secure the necessary votes for passage.

The bill received its first hearing in the Senate for sponsor testimony this week.

- **Community Solar**

The OMA supports state policies that enable customers to obtain a diverse array of generation options under competitive markets. Last session, a bill intending to support solar investment included a concerning "virtual net metering" provision, which OMA

engineers estimated would create up to \$340 million per year in cost-shifting to non-participating ratepayers, including small and mid-sized manufacturers if the full 3,000 MW of community solar was built.

This session, similar language was introduced via House Bill 197 to create a community solar program. While there have been several substitute versions of HB 197 introduced in House Public Utilities Committee, each version would result in millions of dollars in cost-shifting.

House Bill 197 remains pending in House Public Utilities Committee and a companion bill, Senate Bill 247 has been introduced in the Senate.

- **Utility Related Services After Metered Point of Delivery**

Senate Bill 123 was introduced to exempt submeterers and billing agents in apartment complexes from being considered a public utility. It also prohibits the PUCO from adopting rules that allow utilities to prevent submetering except for safety and reliability reasons.

- **“Green” Nuclear Energy**

Bipartisan legislation has been introduced via House Bill 308 to categorize nuclear power as a green energy source. This bill’s introduction comes after Ohio and other states have recently designated natural gas as “green” or “clean” energy. HB 308 recently passed out of the House and has been introduced in the Senate.

- **Carbon Capture and Storage**

A pair of companion bills, House Bill 358 and Senate Bill 200, have been introduced declaring the General Assembly’s intent to regulate carbon capture and storage technologies through which carbon dioxide emissions can be kept from being immediately released into the atmosphere. These bills currently contain placeholder language but are anticipated to be amended with a more substantive version.

- **Virtual Net Metering**

Senate Bill 275 establishes mechanisms for virtual net-metering of distributed electric generation on brownfields. Greenfield projects will not be eligible. Unlike community solar bills, SB 275 is not discriminatory on technology, and any electric generation technology would be eligible.

The OMA provided interested party testimony to the Senate Energy and Public Utilities Committee this week to express support for the intention of the bill. The testimony also included a recommendation that language be added to ensure that the savings accrued by the project would go back to the customer whose investment produced the savings.

Energy News

[Click here for Energy Community articles from previous Leadership Briefings](#)

Energy Legislation

Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB16** **ETHICS, FINANCIAL DISCLOSURE REFORM** (MERRIN D) To enact the Ethics and Financial Disclosure Reform Act to revise the law governing ethics and lobbying.
Current Status: 3/28/2023 - House Government Oversight, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-16>
- HB41** **UTILITY BILLING TRANSPARENCY** (SKINDELL M) To enact "The Consumer Utility Billing Transparency Act" requiring the itemization of all riders, taxes, and other costs on certain utility bills.
Current Status: 4/24/2024 - House Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-41>
- HB79** **ELECTRIC DISTRIBUTION UTILITIES** (SEITZ B, SWEENEY B) To permit electric distribution utilities to establish energy efficiency and demand reduction portfolios.
Current Status: 11/19/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-79>
- HB120** **REPEAL 133-HB6** (WEINSTEIN C, BRENNAN S) To repeal the legacy generation resource provisions of H.B. 6 of the 133rd General Assembly and provide customers refunds.
Current Status: 6/20/2023 - Re-Referred to Committee
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-120>
- HB197** **SOLAR PROGRAMS** (HOOPS J, RAY S) To establish the community solar pilot program and the solar development program.
Current Status: 5/22/2024 - **BILL AMENDED**, House Public Utilities, (Seventh Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-197>
- HB201** **PROHIBIT CALIFORNIA EMISSIONS STANDARDS FOR MOTOR VEHICLES** (HILLYER B, DEMETRIOU S) To prohibit a state agency, county, or township from restricting the sale or use of a motor vehicle based on the energy source used to power the motor vehicle; to prohibit a state agency from adopting the California emissions standards for motor vehicles; and to change the requirements for natural gas company infrastructure development riders and economic development projects.
Current Status: 12/28/2023 - **SIGNED BY GOVERNOR**; eff. 3/28/24
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-201>
- HB226** **CUSTOMER-OWNED WATER SERVICE LINES** (ROBB BLASDEL M, JARRELLS D) To permit water-works companies to bear the costs for replacing certain customer-owned water service lines.
Current Status: 7/24/2024 - **SIGNED BY GOVERNOR**; eff. 90 days

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-226>

- HB260** **COMPETITIVE RETAIL ELECTRIC SERVICE** (SEITZ B, ROBB BLASDEL M) Regarding public utilities and competitive retail electric service.
Current Status: 5/22/2024 - House Public Utilities, (Fifth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-260>
- HB264** **WASTE ENERGY RECOVERY SYSTEMS** (PIZZULLI J, JOHNSON M) To make certain steam-producing facilities waste energy recovery systems for purposes of the state's energy efficiency laws.
Current Status: 11/19/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-264>
- HB308** **INCLUDE NUCLEAR REACTION ENERGY AS GREEN ENERGY** (STEIN D, BRENNAN S) To include energy generated by nuclear reaction as green energy.
Current Status: 11/19/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-308>
- HB358** **CARBON CAPTURE** (ROBB BLASDEL M) To declare the General Assembly's intent to regulate carbon capture and storage technologies and the geologic sequestration of carbon dioxide for long-term storage.
Current Status: 6/12/2024 - House Energy and Natural Resources, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-358>
- HB363** **PUCO NOMINATING PROCESS CHANGES** (TROY D) To make various changes to the Public Utilities Commission nominating council and nomination process.
Current Status: 1/9/2024 - Referred to Committee House Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-363>
- HB393** **REFUNDS FOR UNLAWFUL UTILITY CHARGES** (BAKER R) To require refunds for utility customers when a utility charge was determined to be unlawful.
Current Status: 2/6/2024 - Referred to Committee House Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-393>
- HB444** **PUBLIC UTILITIES - POLITICAL EXPENDITURES** (MIRANDA J, MCNALLY L) To prohibit certain public utilities from recovering political expenditure costs from their customers.
Current Status: 4/23/2024 - House Government Oversight, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-444>

- SB6** **ESG POLICIES-STATE ENTITIES** (SCHURING K) Regarding environmental, social, and corporate governance policies with respect to the state retirement systems, Bureau of Workers' Compensation, and state institutions of higher education.
Current Status: 6/18/2024 - House Financial Institutions, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-6>
- SB72** **PUBLIC UTILITIES-SUBSTATION SECURITY** (JOHNSON T) To require public utilities to provide twenty-four hour security systems at substations.
Current Status: 3/28/2023 - Senate Energy and Public Utilities, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-72>
- SB102** **ELECTRIC, NATURAL GAS SERVICES** (WILKIN S) Regarding public utilities and competitive retail electric and natural gas services.
Current Status: 12/5/2023 - **BILL AMENDED**, Senate Energy and Public Utilities, (Fifth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-102>
- SB121** **NATURAL GAS INFRASTRUCTURE RIDER CHANGES** (ROMANCHUK M) To make changes to the natural gas infrastructure development rider.
Current Status: 5/17/2023 - Referred to Committee Senate Energy and Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-121>
- SB123** **PUBLIC UTILITY REGULATION EXEMPTIONS** (BRENNER A) To exempt from regulation as a public utility certain persons or entities providing utility related services after the metered point of delivery.
Current Status: 6/25/2024 - **SUBSTITUTE BILL ACCEPTED**, Senate Energy and Public Utilities, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-123>
- SB143** **ELIMINATING ELECTRIC SECURITY PLANS** (ROMANCHUK M) To eliminate electric security plans and require all electric standard service offers to be delivered through market-rate offers, and to strengthen corporate separation requirements.
Current Status: 1/23/2024 - Senate Energy and Public Utilities, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-143>
- SB149** **PUBLIC UTILITIES - POLITICAL EXPENDITURES** (SMITH K) To prohibit certain public utilities from recovering political expenditure costs from their customers.
Current Status: 9/20/2023 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-149>

- SB150** **PROHIBIT TERMINATING ELECTRIC, GAS SERVICE** (SMITH K) To prohibit terminating electric or gas service to certain households and establish a payment plan for these services.
Current Status: 9/20/2023 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-150>
- SB151** **REPEAL 133-HB6 PROVISIONS** (SMITH K) To repeal the legacy generation resource provisions of H.B. 6 of the 133rd General Assembly and provide customers refunds.
Current Status: 9/20/2023 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-151>
- SB174** **NATURAL GAS-OFFERING CARBON OFFSETS** (WILKIN S, LANG G) To allow for competitive retail natural gas service suppliers to offer carbon offsets to customers.
Current Status: 6/11/2024 - Senate Energy and Public Utilities, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-174>
- SB200** **LEGISLATIVE INTENT-CARBON CAPTURE** (SCHAFFER T, LANDIS A) To declare the General Assembly's intent to regulate carbon capture and storage technologies and the geologic sequestration of carbon dioxide for long-term storage.
Current Status: 4/9/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-200>
- SB227** **CONSUMER UTILITY BILLING TRANSPARENCY** (SMITH K) To enact "The Consumer Utility Billing Transparency Act" requiring the itemization of all riders, taxes, and other costs on certain utility bills.
Current Status: 11/12/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-227>
- SB228** **UTILITY CUSTOMERS-UNLAWFUL CHARGE REFUND** (SMITH K) To require refunds for utility customers when a utility charge was determined to be unlawful.
Current Status: 11/12/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-228>
- SB229** **CHANGE PUCO NOMINATING COUNCIL PROCESS** (DEMORA B, HICKS-HUDSON P) To make various changes to the Public Utilities Commission nominating council and nomination process.
Current Status: 6/11/2024 - Senate Energy and Public Utilities, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-229>
- SB247** **ESTABLISH COMMUNITY SOLAR PILOT PROGRAM** (LANG G) To establish the community solar pilot program.
Current Status: 6/11/2024 - Senate Energy and Public Utilities, (First Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-247>

- SB251 PUBLIC UTILITIES RATE CASE TIMELINE** (SMITH K) To require public utilities that serve more than 250,000 Ohio residents to file a rate case application with the Public Utilities Commission at least every four years.
Current Status: 4/24/2024 - Referred to Committee Senate Energy and Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-251>
- SB266 OWNERSHIP-EV CHARGING STATIONS** (REINEKE W) To regulate the ownership of electric vehicle charging stations.
Current Status: 6/12/2024 - Senate Transportation, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-266>
- SB275 REGARDING VIRTUAL NET METERING, AGGREGATION** (DOLAN M) Regarding virtual net metering and meter aggregation.
Current Status: 11/19/2024 - Senate Energy and Public Utilities, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-275>
- SCR3 FEDERAL FUNDING-HYDROGEN HUBS** (DOLAN M) Urging President Biden, the United States Department of Energy, and the Congress of the United States to designate federal funding for hydrogen hubs in Ohio.
Current Status: 3/8/2023 - Referred to Committee Senate Energy and Public Utilities
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SCR-3>
- SR121 URGE CONTINUED INVESTMENT-NATURAL GAS** (RULLI M) To recognize that natural gas and its production industry are vital to Ohio's economic future and to urge continued investment in natural gas infrastructure to make affordable energy available to every Ohioan.
Current Status: 4/24/2024 - **ADOPTED BY SENATE**; Amended on Floor, Vote 32-0
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SR-121>
- SR296 URGE USEPA WITHDRAW PROPOSED REGULATIONS** (REINEKE W, MCCOLLEY R) To urge the U.S. Environmental Protection Agency to withdraw its proposed regulations on greenhouse gas emissions and to urge the United States Congress to take action to prevent the regulations from taking effect.
Current Status: 5/8/2024 - **ADOPTED BY SENATE**; Vote 27-4
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SR-296>

The Electric Utilities' Threat to Ohio's Economy

Background

For twenty-five years, Ohio has operated a deregulated electricity market, allowing customers to choose their power suppliers, while only transmission and distribution remain regulated. This model has led to lower wholesale prices, the replacement of outdated power plants, and advancements in technology. However, some utilities are pushing to end the competitive market structure and re-enter the generation market, citing a purported electricity shortfall that they argue cannot be met by market forces alone.

Key Issues and Questions

- 1. Economic Impact of Ending Deregulation:** Utilities' proposal to end competitive markets and re-regulate power would result in higher prices for customers and reduced competition for the markets. Their plan involves re-regulating power and building new power plants funded by mandatory customer fees, effectively reversing the benefits of competition.
- 2. Opaque and Exaggerated Utility Claims:** Utilities assert that Ohio faces an imminent shortfall of generating and transmission capacity due to increased demand from new technologies and the retirement of old plants. However, Ohio and the broader PJM region, which supplies Ohio's power, consistently have a robust reserve capacity and competitive wholesale prices, indicating no current or imminent shortfall. In fact, in recent years PJM has had excessive reserve capacity and low wholesale electricity prices. Utilities stand to financially benefit from these exaggerated claims, particularly if they lead to the elimination of competitive markets.
- 3. Alternative Policies:** Instead of re-regulation, Ohio should enhance transparency and accountability in utility spending, particularly for transmission investments, and stay the course by maintaining competitive power markets. Regulatory oversight must ensure that customer funds are used effectively and that infrastructure investments align with actual needs. Emphasizing decentralized power plants and exploring distributed energy resources could provide cost-effective solutions to grid constraints.

Utility Proposals

- **End Competitive Power Markets:** Utilities aim to re-regulate power, which would diminish competition, drive up prices, and create a financial windfall for utilities.
- **Allow More Subsidized Transmission:** Utilities' claims of a constrained electric grid could lead to unneeded, costly transmission lines being built. Meanwhile, opaque and unchecked spending on local transmission projects continues to drive up customer electricity costs with no improvement in electric reliability.

Recommendations

- 1. Stay the Course on Competitive Markets:** Continue with the competitive free markets model to foster competition, lower prices, and enhance innovation, but repeal or reform policies like the Electric Security Plans (ESPs) to address questionable subsidies and charges.
- 2. Increase Transparency and Accountability:** Implement stricter oversight of new power production and customer interconnection queues, supplemental transmission spending, and power outage investigations, both at the PUCO and at PJM. Use power grid heat maps to direct economic development.
- 3. Promote Distributed Generation and Competitive Microgrids:** Encourage localized energy solutions to reduce the need for extensive transmission infrastructure.

Conclusion

Ohio's deregulated electricity market has delivered substantial benefits, including lower prices and increased choice. The current push by utilities to end deregulation is driven by their financial struggles and desire for guaranteed revenue. To protect Ohio's economy and ensure fair pricing, it is crucial to maintain deregulation while improving regulatory oversight and transparency. Addressing these issues effectively will safeguard Ohio's competitive advantage and foster a robust, innovative energy market.

[Read full article here.](#)

October 23, 2024

Energy-Focused Lawmakers Call For Action On Electricity Outlook

Two outgoing lawmakers are sounding the alarm over what they see as an approaching energy crisis, although skepticism of that possibility remains from some corners.

[Rep. Bill Seitz](#) (R-Green Twp.) and [Rep. Dick Stein](#) (R-Norwalk) each proposed an all-hands-on-deck legislative approach to the anticipated demand crunch following PJM Interconnection's projection that needs will outpace supply by 2030.

"This is an urgent matter and far too few of our legislative colleagues understand the urgency with which we must act," Seitz said. "We are rapidly running out of electricity."

Their arguments during a panel this week at the Ohio Chamber of Commerce's 2024 Energy Summit came despite continued cautioning from some parties against policy moves based on projections they deem speculative.

"Ohio manufacturers agree future shortfall risks should be taken seriously," Ohio Manufacturers' Association President Ryan Augsburger said in an interview. "But the rumored growth projections are overstated, and they're being used to justify expensive investments that utilities will pass onto their customers without corresponding benefits."

In contrast, Seitz and Stein, both current or former chairs of energy-related committees during their various terms in office, argued for legislative action to address what the former called an "all hands on deck" crisis.

Given their pending departures from the legislature, the pair's remarks largely served as a call to action for incoming members of the 136th General Assembly; Seitz is wrapping up his legislative career of more than two decades, while Stein is departing after four terms in the House.

"It is time to act and that means doing everything we can do through every available avenue – including giving our traditional utilities the right to reenter the generation market – to get moving so that we will have enough power to power all of the increased demand and stem the decline of the existing generating plants," Seitz said.

Seitz's suggestion to potentially unwind Ohio's deregulation of energy markets, however, would be guaranteed to draw pushback from stakeholders who believe that approach is working.

"Deregulation, while imperfect, is still providing considerable untapped potential for Ohio's manufacturers and the economy," Augsburger said, noting that it was utility companies who pushed for that change.

"Better regulation and transparency is what we need to protect Ohio's competitiveness," he said.

Seitz, who entered the General Assembly in 2000, shortly after that policy discussion was settled, said he never understood the rationale for the move.

"It's kind of like telling General Motors, Ford, Chrysler you can't sell cars anymore, but you can own dealerships," he said. "Why would we kick out of the industry the people that have been in the industry for over 100 years? That made no sense, but we can't go back. The toothpaste is out of that tube."

The term-limited pair also voiced frustration at the lack of urgency with which their message has been received by colleagues to date.

"They've got to start paying attention," Seitz said of his fellow Republicans. "They can talk about boys in the girls bathroom or whatever – OK, that's all important, I guess, but it's not nearly as important as what we're talking about here today."

Stein added: "It is very difficult to engage...with other members of the legislature when all of us have our own competing interests and issues that back in our district maybe matter more until the actual lights go out."

Stein said historic increases seen in July's PJM competitive auction illustrated a "dire need" for new generation. (See [Gongwer Ohio Report, July 31, 2024](#))

He called for the creation of a non-legislative panel – possibly through the governor's office or JobsOhio – that could further explore the state's energy future.

"We need a group of people, a small group, that's out there really advocating for what changes, meeting with interested parties and actually trying to make a difference in this arena," Stein said.

Seitz, meanwhile, said he wants key players – such as PJM or the North American Electric Reliability Corporation – to better quantify the need to meet projected demand growth.

"The point that Dick and I are making is you've got to get moving now," Seitz said. "Those people in the General Assembly who are going to be here four years from now – if we do nothing – will have a very short tenure in office because as Bob and Betty Buckeye will be...wondering why the legislature didn't do more to avert this crisis."

Ohio Customers for Affordable Reliable Power

Join Now

Protect your access to affordable, reliable power and fight utility scare tactics and overreach. Join the Coalition so you can work with like-minded business, energy and consumer groups to:

- advocate for competitive power generation and improved transparency on infrastructure costs,
- block utility market manipulation that will dramatically increase your electric bills,
- attend Coalition meetings and rallies and
- receive legislative and PUCO updates throughout that process.

Organizations that join will be asked to contribute if able. The Ohio Manufacturers' Association shall serve as the fiscal agent to the Coalition.

Organization Name or Individual Name: _____

Point of Contact (if different from organization name): _____

Mobile Phone for Point of Contact: _____

Email for Point of Contact: _____

To: The Ohio Manufacturers' Association

From: Marah Halper, John A. Seryak

PJM Rule Changes Inflate Electricity Prices and Their Reporting Obscures Plentiful Power Supply

Key Points

- PJM's capacity price will rise from \$28.92 /MW-day to \$269.92 /MW-day in June 2025, raising \$12 billion in additional annual revenue for power generators.
- PJM's discounting of generation capacity accreditation contributed about \$4.4 billion to the increase, according to its Independent Market Monitor. A different change to power plant ratings by PJM will cost customers another \$2.7 billion or more.
- Additionally, power companies withheld solar and battery plants from the recent auction, driving costs up an additional \$4.1 billion. All told, PJM rule changes and power plant withholding are significant contributors to the price increase, not fundamental changes in electric supply and demand.
- In fact, more power plant capacity cleared the 2025/26 auction than in the previous year, which was obscured by PJM's choice to report apples-to-oranges metrics for the years. This fact runs counter to popular narratives that the high auction prices reflect a power shortage - they don't.

Summary

PJM posted results of its 2025/26 Reliability Pricing Model (RPM) Base Residual Auction (BRA), more commonly known as the capacity auction, on July 30th, 2024. This is the first auction where proposed generator accreditation rule changes by PJM have been applied. The rule changes consist of:

- modeling of generation and load for each hour of the year,
- new class capacity accreditation ratings for generation resources,
- more frequent testing requirements for generators,
- and a lower cap on capacity performance penalties, known as the stop-loss limit.

The 2025/26 capacity auction resulted in a clearing price of \$269.92/MW-day and an 18.5% total reserve margin of cleared capacity. This is the highest clearing price and lowest achieved reserve margin in recent history. The two resources most significantly impacted by the accreditation

changes were natural gas and solar, both seeing large decreases in cleared capacity due to the accreditation changes. To be clear, there was not a large decrease in the amount of connected natural gas power plants and solar power plants to PJM. In fact, solar plants installed capacity increased significantly. Instead, the reduced capacity from natural gas and solar in the PJM capacity auction was largely a paper change due to the reduction in PJM's capacity accreditation of these resources.

PJM's Independent Market Monitor modeled the financial impact of the rule changes and other pertinent issues with the auction. It was found that PJM's accreditation changes increased costs by \$4.4 billion, that the selection of summer instead of winter thermal ratings increased costs by at least \$2.7 billion, and that power companies' withholding of viable solar and battery resources increased costs by another \$4.1 billion¹. While these cost estimates would be less in aggregate, they demonstrate that PJM's price increases are largely due to rule changes and withholding of viable resources, not a fundamental shift in electricity supply and demand.

The higher capacity price will raise customers' electric bills. Customers will see the increased charges applied to the peak load contribution (PLC) segment of their competitive electric supplier bill for the 2025/26 delivery year.

Background

PJM's recent 2025/26 delivery year auction, held in July of 2024, is the first capacity auction implementing the recent accreditation rule changes by PJM. The previous three auction years produced lower than usual prices, signaling excess generation in the market. This year the auction cleared at a significantly higher price, signaling the need for additional generation.

Capacity Auction Delays and Future Timeline

Capacity auctions are typically held three years in advance of their delivery year. However, PJM submitted rule changes to the auction to the Federal Energy Regulatory Commission (FERC) in response to Winter Storm Elliot and suspended auctions while FERC considered approval². PJM is now holding a compressed auction schedule, shown in Figure 1, to get back on track of holding auctions three years prior to their delivery year.

PJM's decision to delay auctions, forcing the compressed auction schedule, impacted the market for generation. Businesses have considerably less time to decide whether to build generators based on clearing the PJM capacity market and may not even bid into the market if the time frame from auction to delivery is too short.

¹ Monitoring Analytics, "Analysis of the 2025/2026 RPM Base Residual Auction Part A", Sept. 20, 2024. https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_A_20240920.pdf

² "PJM Capacity Auction Procures Sufficient Resources To Meet RTO Reliability Requirement", PJM Inside Lines, July 30, 2024, <https://insidelines.pjm.com/pjm-capacity-auction-procures-sufficient-resources-to-meet-rto-reliability-requirement/>

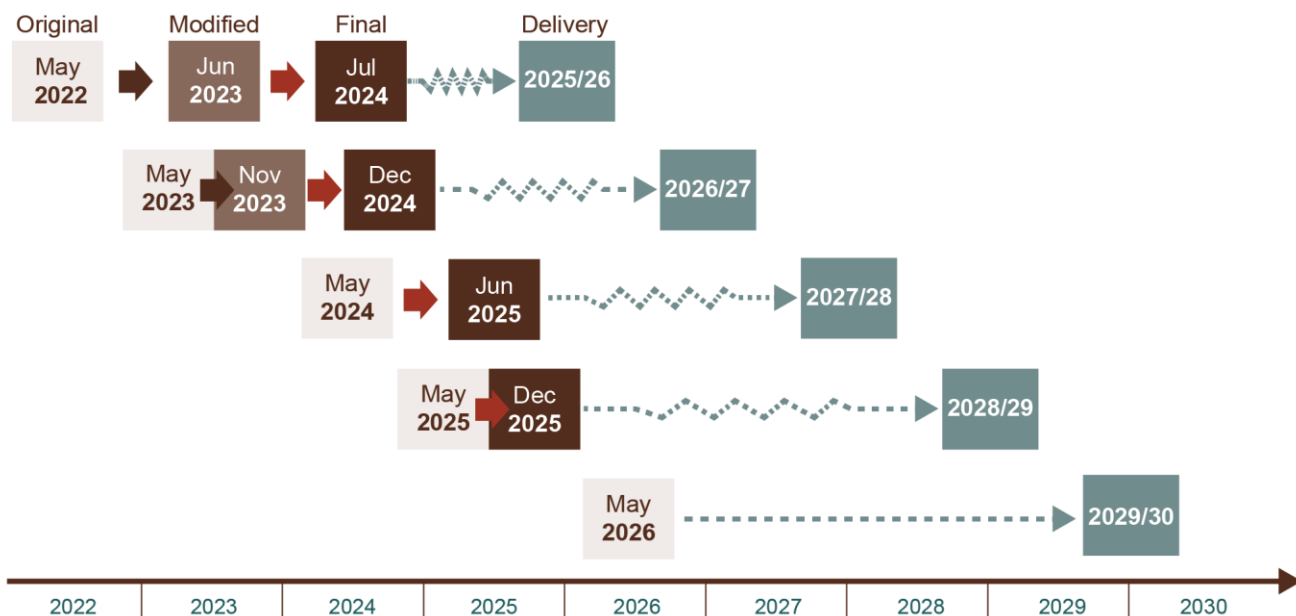


Figure 1: PJM's Compressed Auction Schedule

PJM recently requested even more delays to this published auction schedule, which would further compress the timelines shown in Figure 1.

Recent Capacity Auction Rule Changes

FERC approved changes to PJM's annual capacity auction in January 2024. The new changes have been implemented for the first time in the 2025/26 auction. The major changes are the following:

- Hourly system modeling of generation capacity availability and load, aimed to identify periods of increased risk.
- Every generation resource's capacity is derated based on past performance during hours of increased risk of a generation shortage. The entire class of generators is assigned an accreditation, called Effective Load Carrying Capacity (ELCC), which deems how much capacity can be bid into the auction. To be clear, generators as a class can no longer bid in their full capacity output.
- Generators are subject to testing up to twice a season (summer and winter). Testing is not necessarily conducting during the extreme weather conditions that have caused failure in the past. There is no provision in PJM's rules for additional inspection of the plants to ensure they are weatherized or maintained.
- The stop-loss limit, which are performance penalties, are now based on the delivery year's capacity auction clearing price.

PJM's changes to the capacity auction stemmed from generation failures which put network security and reliability at risk during Winter Storm Elliot in 2022. During the storm and its prolonged sub-zero temperatures, freezing equipment and fuel issues led to a large amount of generation, particularly natural gas fired generation, not being able to deliver power to the network. At one point, approximately 46,000 MW of generators, primarily natural gas and coal were unable to operate on the PJM network³. This led to high performance penalties of \$1.25 billion⁴ for these generators and a call for change in how capacity is procured through PJM's annual capacity auction. Although PJM did request to change their market seller offer cap (MSOC) and allow generators to reflect additional risk in their auction bids, FERC declined this request stating it was too vague⁵. FERC did approve other changes to PJM's capacity auction such as the way capacity performance penalties are calculated (referred to as the stop-loss limit), testing requirements for generators, and capacity accreditation changes. PJM's new stop-loss limit calculation is now a function of the relevant delivery year's capacity price instead of the net cost of new entry, which using historical trends lowers the stop loss limit. New testing requirements were implemented for both summer and winter seasons, but PJM's language is vague and does not specify whether or not actual inspections of generators are required and if emergency operating conditions must be met during testing.

Reliability Must Run Contracts

In addition to the auction delays and rule changes, PJM's Reliability Must Run (RMR) process plays a role with maintaining a reliable power supply. Reliability Must Run contracts are given to power plants when they announce retirement, but they are still needed to achieve reliability on the network or for certain geographic areas. PJM may pay the power plant significantly more than the standard capacity price to continue running to maintain reliability until transmission upgrades are complete or new generation is online. The process to close a power plant on the PJM network is several months to years⁶. PJM keeps an active and public record of all power plants planning to retire and/or currently on an RMR contract⁷. Power plants on an RMR contract do not bid into the capacity auction, so auction prices can rise to attract new generation. However, power plants on an RMR are included in the achieved reserve margin percentage that PJM reports⁸. PJM recently

³ "Winter Storm Elliot Generator Performance", February 9, 2023, PJM, <https://www.pjm.com/-/media/committees-groups/committees/oc/2023/20230209/20230209-item-04---winter-storm-elliott-generator-performance.ashx>

⁴ "FERC Approves Winter Storm Elliot Settlement Agreement", December 20, 2023, PJM Inside Lines, <https://insidelines.pjm.com/ferc-approves-winter-storm-elliott-settlement-agreement/>

⁵ "FERC rejects PJM proposal to price more risk in capacity market offers", February 7, 2024, S&P Global, <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/ferc-rejects-pjm-proposal-to-price-more-risk-in-capacity-market-offers-80338569>

⁶ "What Happens When an Owner Wants to Close Its Power Plant?", June 11, 2019, PJM Inside Lines, <https://insidelines.pjm.com/what-happens-when-an-owner-wants-to-close-its-power-plant/>

⁷ Id.

⁸ "PJM Manual 20: PJM Resource Adequacy Analysis, Revision 15", June 27, 2024, PJM, <https://pjm.com/~media/documents/manuals/m20.ashx>

rejected a call to include generators on RMRs in the capacity auctions, stating the move would blunt price signals needed to spur new generation.⁹

Target Reserve Margin

Section Takeaways

- The target reserve margin increased from 14.7% to 17.7% in the 2025/26 capacity auction.
- The 3% rise is credited to an increase in demand load forecast, winter peak considerations, and capacity accreditation changes.
- It is unclear why PJM double cushions for winter in both the Reserve Requirement Study and generator accreditation modeling.

Capacity accreditation was not the only PJM change that affected capacity prices. In October 2023, PJM conducted a Reserve Requirement Study (RRS) to determine the Forecast Pool Requirement (FPR) and the Installed Reserve Margin (IRM) for delivery years 2024/25 - 2027/28. The study's purpose is to establish a safety factor for how much excess generation PJM should pay to maintain power supply. The report provides:

- Reserve requirement - Otherwise known throughout this memo as the target reserve margin, the reserve requirement sets a target for each year's capacity auction for excess generation capacity to ensure reliability on the network. For example, the 2025/26 capacity auction had a target reserve requirement of 17.7%.
- Installed Reserve Margin (IRM) - Otherwise known throughout this memo as the achieved reserve margin, the installed reserve margin provides some room for error such that if some power plants fail at certain times, power can stay on throughout the grid. An Installed Reserve Margin of 18% means that 18% of power plants being paid through the capacity auction can fail, and PJM will still have enough available power plants at any given time.
- Forecast Pool Requirement (FPR) - The forecast pool requirement is another way to represent the reserve requirement and takes the annual planned outages of thermal resources into account.

In this study PJM used two different modeling methods to determine the FPR and IRM and then recommended one result out of the two. The legacy grid modeling tool PRISM was used as one modeling method and the recently developed hourly loss of load probability model was also used¹⁰. PJM recommended to use the results from the PRISM modeling method over their recently developed hourly loss of load probability model, even though the probability model (not PRISM) is

⁹ "PJM rejects call to include RMR plants in capacity auctions to lower prices", September 23, 2024, Utility Dive, <https://www.utilitydive.com/news/pjm-reliability-must-run-rmr-plants-capacity-auctions-talen/727727/>

¹⁰ "2023 PJM Reserve Requirement Study", page 7, October 3, 2023. <https://www.pjm.com/-/media/committees-groups/committees/mc/2023/20231115/20231115-consent-agenda-b---2-2023-pjm-reserve-requirement-study-report-final.ashx>

the same model used to perform Effective Load Carrying Capacity (ELCC) calculations for generators to enter the capacity auction. PJM states the reason for recommending the PRISM results is that the FPR in PRISM's result is closer to the overall load uncertainty modeled in the 2023 PJM Load Forecast¹¹. However, PJM is now using the PRISM tool with inputs it was not designed for.

As a result of this study, the target reserve margin increased from 14.7% to 17.7% for the 2025/26 delivery year. This increased Installed Reserve Margin target can have the effect of increasing capacity prices in the auction. Table 1 compares the target reserve margin from 2022's RRS with both modeling methods of 2023's RRS and the achieved reserve margin that has resulted from past capacity auctions. Significantly, PJM is raising the target reserve margin. PJM attributes the 3% increase in target reserve margin to a combination of a higher demand load forecast and winter peak considerations such as weather¹².

It is unclear why PJM accounts for winter performance issues both in the Reserve Requirement Study and generator accreditation modeling.

Table 1: Comparing 2022 and 2023's RRS Study Results

Delivery Year	2022's Study Target Reserve Margins	2023 Study's Target Reserve Margins - PRISM	2023 Study's Target Reserve Margins - Hourly loss of load	Achieved Reserve Margin
2024/25	14.8%	17.7%	18.5%	20.4%
2025/26	14.7%	17.7%	18.4%	18.5%
2026/27	14.7%	17.7%	18.4%	-
2027/28	-	17.6%	18.3%	-

Capacity Auction Results

Section Takeaways

- PJM's recent capacity auction results are not an apples-to-apples comparison to previous years.
- PJM presents auction results side-by-side with previous years, giving a misleading impression of an apples-to-apples comparison.
- Apples-to-apples, more power capacity cleared the 2025/26 auction than the previous year, not less.

The results of the 2025/26 capacity auction were published on July 30th, 2024. The results include clearing prices, achieved reserve margins and resource technology breakdowns. The auction cleared 135,684 MW of accredited capacity in the PJM region, not including energy

¹¹ Id, page 7.

¹² Id, page 8.

efficiency resources. A total of 135,692.3 MW accredited capacity was offered into the auction, a decrease of 13,252.1 MW from the 2024/25 capacity auction.

However, since PJM changed how it counts capacity, comparing PJM's reported capacity between the two auctions is apples-and-oranges - the two numbers represent different quantities. While PJM admits that the numbers are not comparable, it nonetheless continues to provide them side-by-side in its reporting, summary material, and statements, creating the misleading impression that the numbers are comparable on an apples-to-apples basis. This is preventing the public from understanding the impact of PJM's rule changes to capacity prices versus the impact of actual power plant closures or load increases.

Clearing Price and Reserve Margin

The 2025/26 auction resulted in a clearing price of \$269.92/MW-day with a total reserve margin of 18.5%. This is the highest clearing price and lowest reserve margin in recent history. However, the achieved reserve margin is still in excess of all historical target reserve margins. Total cost for this auction is \$14.7 billion, up from \$2.2 billion in 2024/25. Figure 2 illustrates historic clearing price trends of PJM's capacity auction compared to the achieved reserve margin.

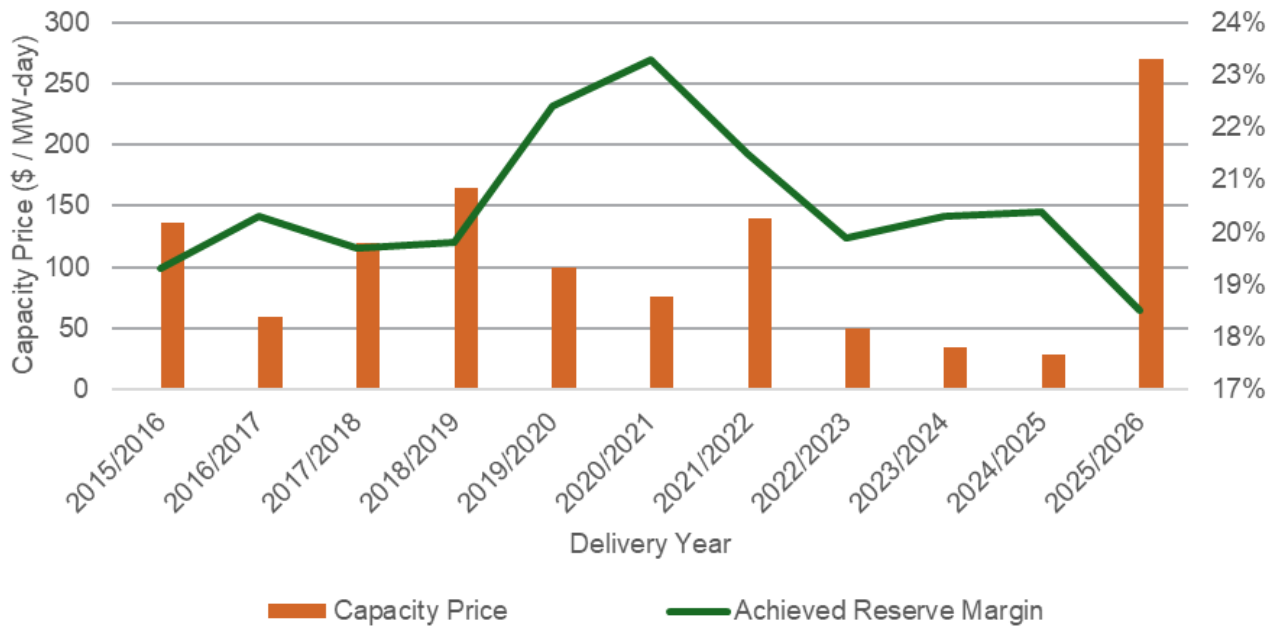


Figure 2: Capacity Auction Clearing Price vs Installed Reserve Margin

Trends in Power Resources

Section Takeaways

- Coal, gas and nuclear had more installed capacity clear 2025/26's auction as compared to 2024/25.
- Approximately 3,000 more MW of annual installed capacity cleared this year's auction as compared to last year.

Since the rule changes to the capacity auction, most generation resources are now being derated further than previous years. Table 2 and Figure 3 show the amount of annual resources that cleared capacity auction for delivery years 2024/25 and 2025/26 based on the installed capacity (ICAP), which is generation capacity prior to the application of the ELCC derating. This is a way to compare changes in power plant capacity in PJM on an apples-to-apples basis.

Importantly, this apples-to-apples comparison shows that more power plants cleared the 2025/26 auction than the previous year, not less.

Table 2: Cleared Generation Resource Mix Comparison without ELCC Derating¹³

Resource Type	Cleared ICAP (MW)		
	2024/25	2025/26	Difference
Coal	34,721	35,867	1,146
Oil	5,844	3,522	-2,322
Gas	85,716	87,110	1,394
Nuclear	32,048	32,180	132
Solar	5,067	5,886	819
Water	6,735	7,390	655
Wind	802	1,308	506
Battery/Hybrid	46	30	-16
Other	1,281	1,213	-68
Demand Response	7,152	8,187	1,035
Aggregate Resource	503	251	-252
Total (without EE)	179,915	182,944	3,029

¹³ "2025/26 Base Residual Auction Results", August 21, 2024, PJM Markets & Reliability Committee, <https://techttestac1.pjm.com/-/media/committees-groups/committees/mrc/2024/20240821/20240821-item-08---2025-2026-base-residual-auction---presentation.ashx>

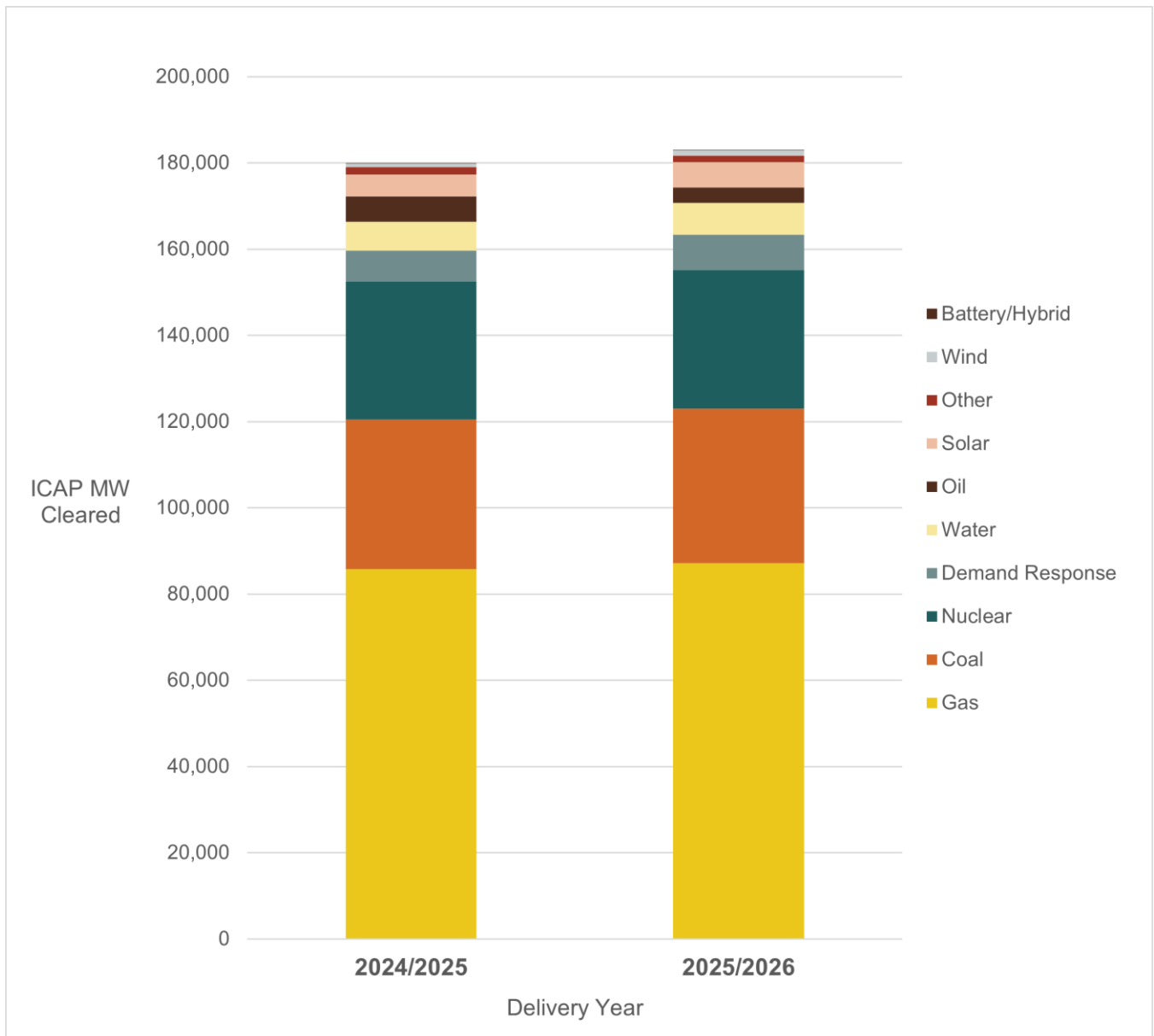


Figure 3: Installed Capacity, An Apples-to-Apples Comparison of Cleared Auction Resources

New Generation Constraints in the PJM Interconnection Queue

The 2025/26 Capacity Auction only procured 110 MW of new generation capacity while approximately 161,000 MW of generation capacity is waiting in PJM's interconnection queue¹⁴. In other words, while PJM's capacity auction price is signaling the need for new generation, less than 0.5% of the new generation waiting to be built cleared in the auction.

The paltry amount of new generation may also stem from PJM actions. In July 2023, PJM began implementing an interconnection process reform that switches from a first-come-first-served

¹⁴ PJM Planning, <https://www.pjm.com/planning>.

basis to a first-ready, first-served approach¹⁵. As part of this interconnection process reform, PJM is stating it will process 72,000 MW of projects by mid-2025¹⁶ - too late for this past July's auction, the forthcoming December auction, and possibly even next May's auction. Issues in passing through PJM's interconnection queue have been prevalent for years; PJM's interconnection reform process was approved by FERC in November 2022, the changes did not begin to take place until July 2023. According to a paper published by Columbia University's Center on Global Energy Policy, generators joining the queue now have little chance of coming online before 2030¹⁷.

A June 2023 interview with Ken Seiler, PJM's Vice President of Planning shows that PJM believes that the new interconnection process will make delays and backlogs a "thing of the past" and that PJM has "enough projects seeking to join the system to replace retiring generators"¹⁸.

PJM's Interconnection Queue and capacity auction timing appear problematic, as large amounts of new generation stay sidelined in PJM's interconnection queue while capacity auctions are held without them. This predictably exacerbates electric generation supply issues.

Implications for Customers

Customers should be concerned about the rise in capacity prices and how their bills will be impacted. Table 3 demonstrates new peak load contribution (PLC) costs for small, medium, large and extra-large consumers compared to their transmission costs. PLC costs are how capacity prices are passed through to customers in the PJM network area. Both PLC and transmission costs are included in electricity bills for all commercial customers within PJM, typically on a customer's competitive retail electric supplier bill.

Table 3 shows that capacity prices will increase PLC costs on customers' bills for the 2025/26 delivery year. We also show transmission costs in Table 3 for comparison. Transmission costs remain a more costly component of electricity bills in the PJM network area.

¹⁵ "PJM Advances to Next Phase of New Interconnection Process", May 20, 2024, PJM Inside Lines, <https://insidelines.pjm.com/pjm-advances-to-next-phase-of-new-interconnection-process/>

¹⁶ Id.

¹⁷ "Outlook for Pending Generation in the PJM Interconnection Queue", May 8, 2024, Center on Global Energy Policy at Columbia University, <https://www.energypolicy.columbia.edu/publications/outlook-for-pending-generation-in-the-pjm-interconnection-queue/>

¹⁸ "New Interconnection Process Aims To Ensure Reliability, Enable State Policies", June 30, 2023, PJM Inside Lines, <https://insidelines.pjm.com/new-interconnection-process-aims-to-ensure-reliability-enable-state-policies/>

Table 3: Capacity Costs versus Transmission Costs

Manufacturer Size	Consumption		Capacity cost 2024/25		Capacity cost 2025/26		Transmission Cost (AEP)
	(kWh/year)	PLC (kW)	(\$/year)	(\$/year)	(\$/year)	(\$/year)	(\$/year)
Small (~\$100k/yr in electricity costs)	1,000,000	285	\$ 3,013	\$ 28,117	\$	\$	38,309
Medium (~\$600k/yr in electricity costs)	7,500,000	1,427	\$ 15,063	\$ 140,583	\$	\$	191,546
Large (~\$6 million/yr in electricity costs)	100,000,000	14,269	\$ 150,625	\$ 1,405,833	\$	\$	1,915,455
Extra Large	1,000,000,000	126,839	\$ 1,338,889	\$ 12,496,296	\$	\$	17,026,268

Conclusion

Overall, PJM's 2025/26 capacity auction results are reflective of the rule changes it implemented and withholding behavior of power companies. On paper, less capacity was procured by the auction but still met the desired reserve margin, although the reserve margin was less than in previous years. The capacity price rose significantly compared to 2024/25. Power supply should be adequate for reliability in 2025/26 and the high price should attract new generation to PJM.

However, PJM's reporting obfuscates that the amount of power plants available in 2025/26 is not significantly different than in 2024/25. This obfuscation is exacerbating alarms of a power shortage, and perception that there is less power than in 2024/25. PJM also continues to understate its ability to keep power plants online through RMR contracts. And problems within PJM's control remain unfixed - the interconnection queue is unacceptably slow, and the auction delays contributed to lack of new generation entering the auction. These problems are fixable and within PJM's control to fix.

Lastly, PJM's capacity accreditation changes to generation resources have baked-in low performance expectations of generators, gas and coal generators, in particular. Rather than ensure thermal resources perform reliably, PJM instead is moving forward assuming thermal resources will fail when needed most.

Comparison of AEP Data Center Case Settlements
(PUCO Case No. 24-508-EL-ATA)

	Customer Coalition Settlement Terms (October 10)	AEP Ohio Settlement Terms (October 23)
Establishes New Tariff	Yes	Yes
Discriminates By Business Type/Activity and End-use of Electricity	No	Yes
Customer Type	Any new customer over 50 MW in constrained area	All Data Center and Mobile Data Centers over 25 MW
Load Trigger	Greater than 50 MW of new load at single location.	Greater than 25 MW of new or expanded load aggregated together, including multiple facilities under affiliated or common ownership.
Proof of Transmission Capacity Constraint Required	Yes, requires a load study showing capacity constraint by failing to meet NERC/FERC standards.	No
Grandfather Existing Customers	Yes, if have a LOA or ESA signed.	Yes, if have a LOA or ESA signed, but if existing customer expands by more than 25 MW, tariff will apply to expanded load. No grandfathering even for existing facility if AEP determines it is unable to separately meter new load using reasonable efforts and “technically feasible” standard.
Impact Current Load	No	Yes, if expand by more than 25 MW and cannot be separately metered.

Contract Term	<p>3 Term options:</p> <p>A. Load Ramp Period +eight years, with exit option after year 5 and one-year exit fee.</p> <p>B. Load Ramp Period + ten years, with year 7 exit option and no fee.</p> <p>C. Load Ramp Period + twelve years, with year 9 exit option and no fee.</p>	<p>Load Ramp Period + eight years. No flexibility based on operations or build out/construction required. If electric infrastructure not in place when estimated, customer has to seek PUCO approval for an adjustment to term.</p>
Renewal Contract	<p>After the conclusion of the Contract Term established under the new tariff, the customer will be served under the terms of the GS tariff or successor tariff (as the customer would have paid extra for the new infrastructure for a period of at least 10-12 years and no new infrastructure would be required to continue to serve).</p>	<p>The new tariff with higher costs will continue until AEP eliminates it, regardless of whether any new infrastructure is needed to continue to serve the customer.</p>
Minimum Load Ramp Period	<p>Yes, not exceed 4 years.</p>	<p>Yes, not exceed 4 years.</p>
Load Ramp Period	<p>Capacity used for determining minimum monthly billing demand will be no less than:</p> <p>Year 1: 30% contract capacity Year 2: 50% contract capacity Year 3: 70% contract capacity Year 4: 90% contract capacity</p> <p>** Includes language that Contract Capacity for Load Ramp Period will remain at 0 MW until demonstration that customer can be served by available transmission facilities</p>	<p>Capacity used for determining minimum monthly billing demand will be no less than:</p> <p>Year 1: 50% contract capacity Year 2: 65% contract capacity Year 3: 80% contract capacity Year 4: 90% contract capacity</p> <p>** No language that Contract Capacity for Load Ramp Period will remain at 0 MW until demonstration that customer can be served by available transmission facilities</p>
Exit Fee	<p>One-year exit fee unless agree to longer contract.</p>	<p>Yes, eligible to pay exit fee after completion of 5th year of contract—excluding any load ramp period—and must pay three-years of minimum demand charges. So if have a three-year load ramp, cannot exit until after year 8.</p>

<p>Greater Collateral Requirements</p>	<p>Yes, for load over 75 MW:</p> <ul style="list-style-type: none"> • Additional collateral requirements apply if customer either lacks (a) an A- S&P Global Inc. rating and A3 Moody's rating or (b) cash over ten times the collateral requirement. 	<p>Yes, high collateral requirements for all load under new tariff applies.</p> <ul style="list-style-type: none"> • Requires all customers to have both (a) an A- S&P Global Inc. rating and A3 Moody's rating and (b) cash over ten times the collateral requirement, but if do not, need to provide a guarantee or collateral at the time of signing the contract equal to 50% of the total minimum charges for the full term of contract, based on AEP's rates in effect when collateral provided (so AEP holds collateral for load ramp plus contract (12 years) and will be held for period even if facilities take 10 years to construct while customer generates zero revenue). • Requires a foreign adversary attestation for crypto.
<p>Minimum Demand Charges</p>	<p>Monthly minimum billing demand will be no less than greater of (a) X% of customer's highest previous 11 months (with the term at the customer's selection) or (b) a percentage of customer's contract capacity based on:</p> <ol style="list-style-type: none"> 1. 50,001 kW to 75,000 kW = 32,500 kW + 85% marginal amount over 50,000 kW. 2. 75,001 kW and above = 53,750 kW + 100% of marginal amount over 75,000 kW provided minimum demand will not exceed specified percentages for customers depending on if they are Term A (85%), Term B (80%), or Term C (75%). 	<p>Monthly billing will be no less than greater of (a) 85% of customer's highest established monthly billing demand in past 11 months or (b) a percentage of customer's contract capacity based on:</p> <ol style="list-style-type: none"> 1. 25,001 kW to 75,000 kW = 15,000 kW + 85% marginal amount over 25,000 kW. 2. 75,001 kW and above = 57,500 kW + 100% of marginal amount over 75,000 kW provided minimum demand will not exceed 85% of total contract capacity.
<p>Penalty for Exceeding Minimum Demand</p>	<p>No</p>	<p>Yes, service may be suspended if customer exceeds contract capacity by 1,000 kW, and the PUCO approves suspension. Alternative option of adjusting capacity value if capacity is available.</p>

Assignment of Capacity Among Customers	Customer can assign up to 50% of contract capacity in lieu of paying minimum demand charges and some or all of exit fee.	Customer can assign up to 25% of contract capacity to another tariff customer in lieu of paying minimum demand charges and some or all of exit fee. AEP will prevent assignor from signing up for replacement capacity for “reasonable time.” Other conditions/restrictions apply.
Behind-the-Meter Generation	Yes, permits behind-the-meter generation and allows netting in minimum demand calculation.	Yes, but cannot exceed contract capacity, requires equipment added and applies other stricter standards, and adds red tape.
Revenues Collected Credited to Customers	Yes, requires all revenue (demand charges and exit fees) to be an offset to transmission costs or held for future refund with interest to customers.	Only specifies exit fee and collateral revenues will be held for future refund with interest to customers. AEP can hold for 6 months and then advance proposal for refunding money.
To Help Alleviate Constraints on System, Resizing Capacity for Existing Customers	Yes, requires AEP to allow all existing customers to “right size” contract capacity upon tariff implementation without triggering new tariffs.	Yes, one-time opportunity for existing customers above 25 MW to reduce contract capacity if: (i) customer agrees to no additional capacity requests for three years, and (ii) no stranded assets created.
Public Posting of Contract Forms	Yes	No

Sign Up Process	<ol style="list-style-type: none"> 1. Request Load Study: <ul style="list-style-type: none"> • Customer reasonable efforts to own land • one-time \$10,000 fee • request 120 days prior to tariff date 2. AEP Determines Service Plan: <ul style="list-style-type: none"> • 45 or 60 days to complete 3. Contracting: <ul style="list-style-type: none"> • 90 days to sign LOA and ESA 4. Construction and Energization <ul style="list-style-type: none"> • AEP include customer load in PJM forecast 	<ol style="list-style-type: none"> 1. Request Load Study: <ul style="list-style-type: none"> • Customer must own land • one-time \$10,000 to \$100,000 fee • request within 45 days prior to tariff date 2. AEP Determines Service Plan: <ul style="list-style-type: none"> • 45 or 60 days to complete • AEP will group customers according to tranches based on expected capacity increase of regional upgrade project 3. Contracting: <ul style="list-style-type: none"> • 60 days to sign LOA and ESA 4. Construction and Energization <ul style="list-style-type: none"> • AEP include customer load in PJM forecast • Stipulation does not impact AEP's overall load forecast and planning process
Requires PUCO-Ordered Investigation for Transmission Capacity Constraint Issues	Yes	No

TO: OMA Government Affairs Committee
FROM: James Lee
RE: Environment Public Policy Report
DATE: November 21, 2024

Overview

The OMA has been engaging on a wide range of environmental activity at both the state and federal levels this quarter.

Legislative initiatives from state lawmakers have slowed down significantly following the passing of the state budget in the summer of 2023 and the recent short stint of legislation that accompanied the 2024 capital budget process. Legislative activity is expected to intensify now that legislators are returning to Columbus after the November general election. Though the volume of environmental legislation is expected to be light for the remainder of 2024, new legislative proposals are anticipated to surface in 2025 when state lawmakers kick off the operating budget process.

On the state regulatory front, the OMA is engaging on proposed water quality rulemakings and continuing to monitor state implementation of federal mandated air emission requirements.

The recent election of Donald Trump is likely to provide regulatory relief to manufacturers following years unprecedented volumes of onerous and costly regulations implemented by President Biden's EPA.

Environment Legislation

Ohio EPA Proposed Air Permit Fee Increases

The Ohio EPA is still considering a potential increase in air permit fees to support the Division of Air Pollution Control's (DAPC) staffing operations and remain compliant with US EPA standards. The EPA has not raised its fees since being adopted over thirty years ago in the legislature, leading to budget shortfalls that will require the US EPA Region 5 to administer Ohio's air program if revenues do not increase. Ohio EPA notes that their proposed fee structure is lower than neighboring states who have also been prompted to raise their fees in recent years.

The Ohio EPA has proposed the following fee structure to generate 7 million in additional revenue:

1. Title V facilities

- Additional base fee of \$5,000 per year
- The annual emission-based fee structure will remain the same.

2. Synthetic Minor facilities

- Additional base fee of \$5,000 per year
- 50% increase to the current annual emission-based fee structure

3. Permit To Install (PTI) Fees

- 50% increase of current PTI fee structure

Senate Bill 200: Carbon Capture

Senators Tim Schaffer and Al Landis introduced a placeholder bill in Senate Energy and Public Utilities Committee stating their intent to move legislation to establish a comprehensive regulatory

framework to ensure the safe and secure deployment of carbon capture and storage technologies in Ohio. The proposed legislation aims to regulate CCS technologies and carbon dioxide storage in geological formations, potentially granting Ohio regulatory authority over such operations.

While formal language has not been released to the public, proponents of the legislative concept testified in support of the effort to implement policies that encourage innovation and the development of CCS technology to drive economic growth and reduce greenhouse gas emissions, highlighting the critical impact on Ohio's industrial sectors by providing new avenues for companies to operate competitively while reducing their environmental impact and creating jobs.

The OMA will keep members informed on the potential impacts to manufacturers when a formal sub bill is introduced.

Senate Resolution 296: Opposing Biden's Greenhouse Gas Emissions

Senators Rob McColley and Bill Reineke have introduced a senate resolution condemning the Biden administration's regulations targeting greenhouse gas emissions from coal and natural gas-fired powerplants. The resolution criticizes the proposals for exceeding the US EPA's regulatory authority and highlights the threats to the US economy by imposing unachievable emission reduction timelines for greenhouse gases, while also requiring the adoption of new technologies that are not yet commercially available, including carbon capture. The Resolution was passed and adopted by the Ohio Senate.

Solid Waste Fees Defeated

The OMA continues to monitor Senate Bill 119, which aimed to raise solid waste fees for Ohio manufacturers in response to concerns about out-of-state waste in Seneca County. Proposed by Senator Reineke, the bill sought to deter waste export by increasing state fees from \$4.75/ton to \$8.50/ton, impacting construction debris fees as well. This would cost Ohio over \$150 million annually and hinder business growth. After opposition from the OMA and testimony by Tim Ling, Senator Reineke agreed to amend the bill, removing the fee hikes—a significant victory for Ohio manufacturers. The bill received a fourth hearing in the House but is unlikely pass.

ESG Investing

Senate Bill 6, a bill barring state funds from investing based on environmental, social or governance practices, has passed the Senate and is currently awaiting House action. Under this proposed legislation, the board that governs specific funds will not be allowed to adopt a policy under which the board makes investment decisions with the primary purpose of influencing any social or environmental policy.

State Regulatory Activity

US EPAs Good Neighbor Rule Paused in Ohio due to Yost's Successful Challenge

In June, the U.S. Supreme Court granted a stay against the U.S. EPA's so-called "Good Neighbor Plan," temporarily blocking its implementation in Ohio. In their decision, the court ruled that the emissions-reductions standards set by the plan were likely to cause "irreparable harm" to nearly half of all U.S. states.

The rule significantly expands federal oversight of interstate air emissions. Ohio Attorney General Dave Yost joined Indiana and West Virginia in the suit to successfully obtain stay on the rule which will cost manufacturers and industrial producers an estimated \$910 million in yearly compliance costs. Manufacturers of cement, iron and steel, glass, and chemicals will be severely impacted by new regulations. Multiple justices on the court have publicly stated their

skepticism of the rule and are set to issue an opinion on its constitutionality in a separate case before the court.

The OMA issued a statement on the block, pointing out the unattainable and damaging standards the rule would have put in place, and thanking Ohio Attorney General Dave Yost for leading the charge to challenge the rule which can be found in today's materials.

Lucas County and Toledo Sue USEPA Over Maumee Watershed TMDL General Permit
Lucas County and the City of Toledo have filed a lawsuit against the U.S. Environmental Protection Agency (US EPA). The lawsuit alleges that the EPA knowingly violated the Clean Water Act by approving the total maximum daily load (TMDL) plan to restore the western basin of Lake Erie. This legal action is part of a broader effort to combat harmful algal blooms in Lake Erie, which have been a persistent environmental issue. The county commissioners argue that the TMDL plan, which is a regulatory component of the Clean Water Act intended to address the cleanup of impaired waters, fails to meet the legal standards necessary to prevent the pollution that leads to these algal blooms. They are particularly concerned about the runoff from "mega farms" and other non-point sources, which they believe is a significant contributor to the problem. The OMA advocated for the northwest region's manufacturers during the drafting of the TMDL plan, pushing back against inequitable policy proposals unfairly targeting point sources, which are not responsible for the major sources of pollution that come from non-point sources like agricultural runoff.

H2Ohio PFAS Rivers Survey

The Ohio EPA has announced plans to utilize H2Ohio Funds for a comprehensive statewide river survey focused on PFAS contamination. This initiative positions Ohio as the first state in the country to embark on such an extensive survey. Although the Governor has clarified that this effort is not a prelude to immediate regulations and defers to the federal government for remediation guidelines, concerns over data collection remain as the results could be weaponized as a precursor to future regulatory actions from succeeding administrations or the legislature.

New Nutrients Implementation of Water Quality Standards Rule

Ohio EPA is considering a new rule to determine if streams and rivers are impaired by excessive nutrients, using a weight of evidence approach for consistency.

In June, the OMA submitted comments supporting this approach and emphasized using the 2015 Stream Nutrient Assessment Procedure (SNAP) for the proposed Nutrient ESO. The OMA also raised concerns about the 2018 framework for large river rulemaking in developing the Nutrient Implementation Standards rule.

OMA Engages on Ohio EPA's New Implementation of Water Variance Rule

The Ohio EPA has proposed a new Water Quality Standards Variance Rule (OAC 3745-1-38) to allow some manufacturers to meet adjusted, achievable water quality limits. This rule is intended to help companies gradually improve water quality when full compliance with strict standards isn't feasible, as seen with pollutants like mercury.

The OMA provided comments on August 23, 2023, supporting the rule's approach for certain ammonia discharges. However, OMA raised concerns about Ohio EPA's methods for setting these variance limits, particularly for mercury, which sometimes sets limits below what is realistically achievable. OMA has urged Ohio EPA to revise its guidance to make these permit limits more attainable for manufacturers.

Cleveland Ozone Nonattainment

The OMA has been engaging on forthcoming ozone attainment rules that will impact the Cleveland area. The area is failing to meet required ozone standards set for August 2024 based on monitoring data from 2021-2023. If this trend continues, Cleveland will be reclassified to a more serious nonattainment level, triggering stricter Clean Air Act rules that will directly impact manufacturers.

The OMA hosted an informational webinar with Ohio EPA staff on May 29 outlining next steps for the state's rule out of these new regulations that can be found on the OMA's website.

Federal Regulatory Activity and OMA Action

Trump Nominates Lee Zeldin as US EPA Director, Signaling Aggressive Regulatory Rollbacks

President-elect Donald Trump has nominated former New York Congressman Lee Zeldin to head the U.S. Environmental Protection Agency (EPA). Known for opposing climate-related legislation during his tenure, Zeldin has pledged to prioritize deregulation while maintaining basic environmental safeguards. Trump emphasized that Zeldin's leadership would foster U.S. energy dominance and economic growth/

Trump is expected to revisit and potentially roll back the Biden administration's strict national PFAS drinking water standards. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

PM2.5 Standard

In a devastating blow to manufacturers, the Biden administration finalized the US EPA's PM 2.5 rule, lowering the National Ambient Air Quality Standards for fine particulate matter to 9 micrograms per cubic meter. Lowering this standard will force manufacturers to comply with unattainable emissions requirements, cost as much as \$197 billion in lost U.S. economic activity, and result in a loss of 974,000 jobs nationwide.

The OMA has made numerous efforts to oppose the rule through public comments and coalition letters to federal agencies, congress, and the white house. Upon release of the final rule, President Ryan Augsburger issued as statement opposing the rule as a disaster for manufacturers in Ohio.

In June, the National Association of Manufacturers (NAM) filed the opening brief in litigation opposing the rule. The OMA will keep its members apprised of the efforts to fight this rule in the courts. The OMA hosted an informational webinar with Ohio EPA staff on May 29 outlining next steps for the state's rule out of these new regulations that can be found on the OMA's website.

US EPA Reinserts Nuisance Rule

U.S. EPA issued a proposed rule in February to reverse its prior November 2020 final action removing Ohio's air nuisance rule from the Ohio State Implementation Plan (SIP). The proposed rule follows a 6th Circuit decision remanding the 2020 removal action back to the EPA for further consideration.

The OMA supported the November 2020 final action and filed an amicus brief in the 6th Circuit matter, urging the court to uphold the EPA's decision. The current proposed rule would

determine that the prior November 2020 action was in error and correct that action by reinstating the air nuisance rule back into the SIP.

The rule is a direct threat to manufacturers, making it easier for environmental activists to target companies with frivolous lawsuits. With Trump's recent election, there is hope that the US EPA will rescind attempts to reinsert this rule.

AERR Revisions

The OMA made comments in opposition to the US EPA's proposed revisions to the Air Emissions Reporting Requirements (AERR). The proposed revisions will significantly impact manufacturers by increasing compliance costs, introducing uncertainty in reporting, and mandating the collection of hazardous air pollutants (HAPs). This will place serious financial burdens on manufacturers, particularly small businesses, potentially leading to increased litigation and compromising the accuracy of emissions data. Additionally, the revisions include substances like PFAS in their requirements without providing sufficient toxicity data, potentially opening reporting to the nearly 15,000 PFAS compounds that exist in the supply chain.

According to the EPA's own estimates, the proposed Air Emissions Reporting Requirements will have a compliance cost of over \$3 billion and impact 120,000 facilities, of which 43,000 are small businesses.

TSCA PFAS Reporting Delayed to 2025

The U.S. Environmental Protection Agency (EPA) has extended the TSCA (Toxic Substances Control Act) PFAS reporting deadline for manufacturers and importers from the originally set for November 12, 2024 date to July 11, 2025, due to resource constraints. Under this TSCA requirement that was finalized in the fall of 2023, companies that have manufactured or imported PFAS or PFAS-containing products since 2011 must report detailed data on uses, volumes, and associated risks. The extension gives companies additional time to gather the necessary information, including coordinating with suppliers.

PFAS Drinking Water Standards

The Biden administration finalized its excessively stringent PFAS Drinking Water Standards rule that will require utilities to reduce PFAS compound levels to the lowest level they can be reliably measured. The already exceptionally low standards will be reduced from 70 parts per trillion to 4 parts per trillion. The rule will lead to significant cost increases throughout the supply chain impacting not only manufacturers but the US economy as a whole.

With Trump's recent election, many are predicting a rollback on these new standards. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

The OMA has engaged on this rule through multiple comments to federal agencies and alerted state regulators of its detrimental impact since the rule was proposed in 2023. In the weeks prior to finalization, The OMA wrote to the Biden White House asking the administration to rescind their unattainable drinking water standards that fail to provide benefits to public health and threaten Ohio's manufacturers with inordinate compliance burdens and costs. That letter can be found in today's Environment materials.

Additional PFAS Regulations

Actions on PFAS from federal and state policy makers have been making headlines.

Manufacturers should be keeping up with multiple developments including:

- The Recent publication of US EPA's final rule designating PFOA and PFOS hazardous substances under CERCLA. The rule is the agency's first-ever use of CERCLA § 102 to designate hazardous substances – and in a recent announcement the US EPA announced their enforcement discretion policy essentially stating that they will not target public entities and agriculture – suggesting their focus for enforcement is set solely on manufacturers.
- The US EPA's TSCA rule broadening scope mandated reporting requirements on the presence of 1,462 PFAS chemicals in their processes and products dating back to 2011.
- Proposed TRI rules that would Categorize all PFAS as chemicals of special concern (COCS), eliminate exemptions for reporting trace amounts of PFAS and mandate suppliers to inform purchasers of any product containing COCS, regardless of quantity or concentration.
- Extensive new PFAS Air Emission reporting requirements proposed under the US EPA's Air Emissions Reporting Requirements (AERR)
- Incoming proposed rules from the US EPA that that would require the investigation and clean-up of certain PFAS at facilities that manage hazardous waste
- Finalized Automatic Additions of Seven PFAS compounds required for TRI reporting in 2024.
- The DeWine Administration's efforts to implement a statewide survey of Ohio's rivers for PFAS contamination.
- The DeWine Administration's use of Battelle's PFAS Annihilator to destroy stockpiled firefighting foam containing PFAS. Battelle's technology has been patented to effectively destroy and remediate PFAS compounds in wastewater to non-detectable levels.

Environment News

[Click here for Environment Community articles from previous Leadership Briefings](#)

Environment Legislation

Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB33** **FY24-25 OPERATING BUDGET** (EDWARDS J) To make operating appropriations for the biennium beginning July 1, 2023, and ending June 30, 2025, to levy taxes, and to provide authorization and conditions for the operation of state programs.
Current Status: 1/24/2024 - Consideration of Governor's Veto; Senate Overrides Veto, Vote 24-8
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-33>
- HB469** **CREATE RIVER COMMISSION** (ROBB BLASDEL M, JONES D) To create the Ohio River Commission of Ohio.
Current Status: 6/25/2024 - House Economic and Workforce Development, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-469>
- HR33** **TRAINS - HAZARDOUS MATERIALS** (ROBB BLASDEL M, MCNALLY L) To urge the United States Congress to pass legislation requiring railroad companies to inform local and state government officials when trains carrying potentially hazardous materials travel through their respective jurisdictions.
Current Status: 3/23/2023 - **ADOPTED BY HOUSE**; Amended on Floor, Resolution Vote 94-1
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HR-33>
- SB6** **ESG POLICIES-STATE ENTITIES** (SCHURING K) Regarding environmental, social, and corporate governance policies with respect to the state retirement systems, Bureau of Workers' Compensation, and state institutions of higher education.
Current Status: 6/18/2024 - House Financial Institutions, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-6>
- SB119** **WASTE DISPOSAL LAW CHANGES** (REINEKE W) To make changes to the laws governing the transfer and disposal of solid waste and construction and demolition debris, including increasing certain fees.
Current Status: 5/1/2024 - House Energy and Natural Resources, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-119>
- SR36** **URGE CONGRESS-TRAIN LEGISLATION** (RULLI M) To urge the United States Congress to pass legislation requiring railroad companies to inform local and state government officials when trains carrying potentially hazardous materials travel through their respective jurisdictions.
Current Status: 3/8/2023 - Referred to Committee Senate Transportation
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SR-36>



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Ohio's manufacturers at the forefront in pursuit of environmental stewardship: James Lee

Updated: May. 31, 2024, 5:45 a.m. | Published: May. 31, 2024, 5:45 a.m.

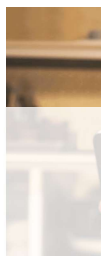


By Guest columnist, [cleveland.com](https://www.cleveland.com) and [The Plain Dealer](https://www.thepaindealer.com)

COLUMBUS, Ohio -- Manufacturing is the foundation of Ohio's economy and the greatest contributor to the state's GDP, to the tune of \$133 billion, providing high-paying employment opportunities to nearly 700,000 Ohioans of all education levels.

These jobs pave the path to the middle class and lay the foundational building blocks for growing economic prosperity in communities throughout the state. Manufacturers understand that these strengths mean little, however, if they come at the expense of the places we live.

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Contrary to aging stereotypes of smokestacks and wasteful byproducts, manufacturing's success today has not come at the expense of our state's air, water, or soil. Rather, Ohio's manufacturers are leading the charge in reducing air emissions, water discharge pollution, and pioneering recycling efforts – all while providing economic benefits for their employees and surrounding communities.



James Lee is the director of public policy for the Ohio Manufacturers' Association, specializing in environmental policy. ohio manufacturer's association

Let's look at the facts:

One of the most notable achievements of Ohio's manufacturing industry is its remarkable progress in reducing air emissions. Through billions of dollars in investments toward innovative technologies, manufacturers have significantly lowered their carbon footprint, improved air quality, and safeguarded public health. From investing in cleaner energy sources to implementing energy-efficient practices, Ohio's manufacturers have demonstrated their commitment to combating climate change while maintaining their competitive edge.

Since 1988, industrial investments in air quality have contributed to a nearly 90% reduction in total air emissions, according to the Ohio Environmental Protection Agency, as noted in our 2024 "Ohio Manufacturing Counts" report. Since 1980, per the same source, Ohio has seen a 60% reduction in carbon monoxide emissions and a nearly 90% reduction in nitrous oxide and particulate matter. Sulfur dioxide emissions have also seen a reduction of over 95%.

But Ohio's manufacturers are not resting on their laurels.

Earlier this year, steel manufacturer Cleveland-Cliffs, glassmakers O-I Glass and Libbey Glass, and ketchup titan Kraft Heinz were among the recipients of a \$6 billion investment from the U.S. Energy Department for decarbonization efforts. This commitment from the manufacturing industry to further advance environmental stewardship is projected not just to slash emissions by up to 99%, but also create thousands of jobs.

Intel Corp., which is constructing a \$28 billion production facility in central Ohio, dubbed the Silicon Heartland, is emblematic of other leading technology manufacturers, setting a goal of achieving net zero greenhouse gas emissions by 2040. The Intel campus just east of Columbus will use 100% renewable electricity and achieve net positive water worldwide by 2030.

In addition to mitigating air and water pollution, Ohio's manufacturing industry has emerged as a leader in recycling efforts. Manufacturers have implemented comprehensive recycling programs to reduce waste and promote circular economies, turning industrial byproducts into valuable resources.

In fact, according to the Ohio EPA, Ohio's industrial recycling practices far outpace that of any other competing business sector, with manufacturers leading the way in reducing and recycling 53% of materials in 2021 as compared to 28% by residential and commercial users. Examples include innovative product packaging, recycling scrap materials, and repurposing production waste.

Ohio's manufacturers are driving innovative environmental solutions across the supply chain to the benefit of us all. While many might first associate manufacturing with family-sustaining careers and other economic benefits, it is important to remember the positive environmental impact the industry provides for our communities, and part ways with outdated misperceptions to the contrary. Ohio manufacturers' commitment to reducing environmental impact is a testament to the transformative power of innovation and collaboration.

James Lee is the Director of Public Policy for the Ohio Manufacturers' Association, specializing in environmental policy. Previously, Lee served on the legislative affairs team for the Ohio Department of Development in the DeWine administration and worked in various roles for the Ohio House of Representatives.

Have something to say about this topic?

* [Send a letter to the editor](#), which will be considered for print publication.

* Email general questions about our editorial board or comments or corrections on this editorial to Elizabeth Sullivan, director of opinion, at esullivan@cleveland.com

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PROTECTING & GROWING OHIO MANUFACTURING

For Immediate Release

The OMA Issues Statement on SCOTUS Halt of 'Good Neighbor' Rule

COLUMBUS, Ohio – The Ohio Manufacturers' Association President Ryan Augsburger today issued the following statement on the temporary block of the Environmental Protection Agency's 'Good Neighbor Plan' by the U.S. Supreme Court:

"The decision by the Supreme Court today is a win for manufacturers across the country against the onslaught of unobtainable standards being pushed out of Washington.

The 'Good Neighbor Plan' sets a scientifically unobtainable air emissions standard that threatens to hamstring Ohio's competitiveness, job growth, and the livelihoods of communities with only a negligible benefit to the environment.

Ohio manufacturing leaders commend Attorney General Dave Yost for his leadership in challenging the unreasonable regulations before the highest court to defend Ohioans from higher costs and lost jobs."

###

The Ohio Manufacturers' Association is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$133 billion annually to the economy. Visit ohiomfg.com, or follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).

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Director, Communications and Marketing

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PROTECTING & GROWING OHIO MANUFACTURING

For Immediate Release

The Ohio Manufacturers' Association Issues Statement on Biden Administration PM2.5 Rule

COLUMBUS, Ohio – Following the decision by the Environmental Protection Agency (EPA) to lower the National Ambient Air Quality Standards for fine particulate matter (PM2.5) to 9 micrograms per cubic meter, The Ohio Manufacturers' Association President Ryan Augsburger issued the following statement:

"The implementation of the Biden administration's new PM2.5 rule is a disaster for manufacturers in Ohio. The unobtainable standards will only kneecap manufacturing investments, weaken our economy, and erode our nation's competitive advantage. This rule is an unnecessary and blatant assault on our nation's manufacturing industry."

###

The Ohio Manufacturers' Association is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$133 billion annually to the economy. Visit ohiomfg.com, or follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).

Tom Evans

Director, Communications and Marketing

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The Ohio Manufacturers' Association
33 North High Street | Columbus, OH 43215



Feb 22, 2024

The Honorable Richard Revesz
Administrator
Office of Information and Regulatory Affairs
U.S. Office of Management and Budget
Washington, D.C. 20503

Dear Administrator Revesz,

On behalf of The Ohio Manufacturers' Association (OMA), I write today to request that the Biden administration take a consistent, measured, and scientifically sound approach to regulating per- and polyfluoroalkyl substances (PFAS) under the Safe Drinking Water Act (SDWA).

The OMA is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing which continues to serve as the backbone of our state. Our association represents manufacturers of all sizes in every subsector of the industry. Manufacturing remains Ohio's largest economic sector, employing more than 690,000 Ohioans and contributing more than \$130 billion annually to the economy.

PFAS are used in a wide variety of applications, including critical components needed to achieve the President's stated priorities around clean energy technologies and domestic semiconductor manufacturing. Among their many uses, this family of chemicals is used in batteries, electric grid infrastructure, semiconductors, automotive equipment, and virtually all sources of energy in our power sector, including solar panels and wind turbines. In many cases, there is no alternative to PFAS in the manufacturing process. Accordingly, regulations on this topic should be achievable and allow for reasonable flexibility.

Unfortunately, the Environmental Protection Agency's (EPA) current regulatory proposal under the SDWA does not reflect a balanced or technically feasible approach to addressing PFAS. The EPA's proposed limits are below 10 parts per trillion (PPT). For comparison, a PPT is a single drop of water in an Olympic swimming pool, effectively setting an unachievable standard that will cost everyone billions of dollars to chase. Regulations set near zero are technologically and economically impossible to achieve. Limits at such low levels have the three-fold impact of raising prices for consumers across the country, threatening manufacturing supply chains, and imposing a severe financial burden on local communities and ratepayers who will foot the bill for cleanup efforts.

In fact, a report released last year from the [American Water Works Association](#) projected that potential regulatory compliance for just two of the six PFAS covered under the new rules would cost \$3.8 billion per year. As such, the proposed rule threatens to wreak havoc on Ohio's supply chains and hurt the manufacturing of key products. The severity of the proposed regulations will mean higher prices for everything from community water and waste systems to medical treatments. The onslaught of regulations facing the industry is putting at risk new investment, slowing hiring, and reducing innovation on products critical to everyday life.

Given the significant economic consequences of the new SDWA regulations, we respectfully request that the EPA withdraw the current proposal to regulate PFAS under the SDWA and reissue a proposal that considers the real-world impacts on local taxpayers and manufacturers in Ohio. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger". The signature is fluid and cursive, with a prominent initial "R" and "A".

Ryan Augsburger
President
The Ohio Manufacturers' Association

DONALD TRUMP

Trump taps former Rep. Lee Zeldin to lead the Environmental Protection Agency

Trump described Zeldin, a four-term House Republican from New York, as “a true fighter for America First policies.”



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Nov. 11, 2024, 3:47 PM EST / Updated Nov. 12, 2024, 10:50 AM EST

By Zoë Richards

President-elect [Donald Trump](#) selected former Rep. Lee Zeldin of New York on Monday to oversee [the Environmental Protection Agency](#) in his administration.

In a [statement announcing the appointment](#), Trump described Zeldin, a former four-term Republican from Long Island, as "a true fighter for America First policies."

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"He will ensure fair and swift deregulatory decisions that will be enacted in a way to unleash the power of American businesses, while at the same time maintaining the highest environmental standards, including the cleanest air and water on the planet," Trump said. "He will set new standards on environmental review and maintenance, that will allow the United States to grow in a healthy and well-structured way."

Zeldin said it was "an honor to join President Trump's Cabinet as EPA Administrator."

"We will restore US energy dominance, revitalize our auto industry to bring back American jobs, and make the US the global leader of AI. We will do so while protecting access to clean air and water," [he said on X](#).

The post requires Senate confirmation. Republicans will have a majority in the chamber when the new Congress is sworn in during January.

The EPA's [2024 fiscal year budget](#) is \$9.1 billion. The agency has 15,130 employees.

After Trump's announcement, Zeldin said in a Fox News interview that he would prioritize efforts to "roll back regulations" that he said caused American businesses to struggle.

"There are regulations that the left wing of this country have been advocating through regulatory power that ends up causing businesses to go in the wrong direction," he said.

The New York Post [first reported](#) Zeldin's appointment – Trump's second Cabinet pick for his second term in office.

Trump has made other staffing announcements in recent days. Last week, he said [Susie Wiles](#), his campaign manager, would be White House chief of staff. On Sunday, he named immigration hard-liner [Tom Homan](#) as his "border czar."

Trump has indicated he plans to [withdraw](#) from the Paris climate accord, a move [mirroring steps](#) he took during his first administration. He has also called for repealing the Inflation Reduction Act, a signature legislative accomplishment of President Joe Biden. The law commits billions of dollars toward [expanding clean energy](#) to reduce U.S. greenhouse gas emissions.

In Congress, Zeldin and fellow Republicans voted against the landmark climate measure.

Environmentalists bashed Trump's pick Monday.

Sierra Club Executive Director Ben Jealous called Zeldin "an unqualified, anti-American worker who opposes efforts to safeguard our clean air and water."

"Our lives, our livelihoods, and our collective future cannot afford Lee Zeldin – or anyone who seeks to carry out a mission antithetical to the EPA's mission," [Jealous said in a statement](#). "We have made too much progress to allow Donald Trump and Lee Zeldin to take us back."

Jeremy Symons, a senior adviser for the Environmental Protection Network, which represents hundreds of former EPA officials, told NBC News that Zeldin's congressional record "is very much in line as a loyalist for Donald Trump's previous efforts to slash the agency's budget and dismantle the EPA."

Symons noted that Trump tried to cut the EPA's budget by nearly a third when he first took office, adding, "The fight to save the EPA begins now."

Zeldin currently chairs the China policy initiative at the America First Policy Institute, a conservative think tank former Trump administration officials [launched in 2021](#).

Republicans heralded him for an [unexpectedly close race for New York governor](#) in 2022, when he lost to Democrat Kathy Hochul 53.1% to 46.7%. Some Republicans highlighted Zeldin's performance as playing a role in helping Republicans flip four House seats in New York that year, in particular that of Sean Patrick Maloney, who chaired the Democratic Congressional Campaign Committee.

TO: OMA Government Affairs Committee
FROM: James Lee
RE: Human Resources Public Policy Report
DATE: November 21, 2024

Overview

There has been a flurry of activity in the HR space at both the federal and state level.

On the state level – the business community was relieved to see that the proposed ballot issue to increase the minimum wage to \$15 an hour failed to make the 2024 ballot; however, this threat remains as organizers are in a good position to make the ballot in 2025.

Threats of forced unionization continue to loom, though movement on this front appears to be stifled now in the state legislature. The OMA is monitoring potential efforts to bring these policies back to life during a lame-duck session.

Major Biden-Harris regulations are now under threat as President-Elect Donald Trump is predicted to roll-back numerous rules impacting the HR policy space.

2024 Minimum Wage Ballot Initiative Withdrawn but Not Dead

The organizers of the Ohio minimum wage ballot initiative announced they had failed to meet the requirements to get the proposal on the November ballot. However, they later backtracked, stating they would explore all options before the deadline, including a second review of their collected signatures. Despite falling short of the county requirements, they plan to continue gathering signatures with the aim of placing the \$15 minimum wage measure on the 2025 ballot.

The product also opens employers to ambiguity in drug free workplace policies as the drug may or may not show-up or be reported on drug tests.

Forced Unionization Halted in the Senate

House Bill 205, OMA-opposed legislation that would force defined manufacturers to hire union workers, appears to have been halted in the Ohio Senate for the time being thanks to efforts from the OMA and its members, Cenovus and Nutrien, along with a united coalition of members from the business community, and surprisingly newly adopted union opposition.

Last summer, HB 205's legislative process was more than disappointing. Despite a unified outcry of opposition from Ohio's business community, the bill was rammed through the House committee process in just two weeks, with only three hearings on the legislation. The bill was subsequently passed with a majority of Republican support just 2 hours after the bill's first opponent hearing.

The Senate thankfully provided a fair hearing process that allowed opponents voices to be heard. In a surprising turn of events, the United Steelworkers joined the business community to oppose the bill, stating that the bill would fail to improve worker safety, and calling the legislation out as a political ploy for the Associate Construction Trades Union (ACT Ohio). Unified business and labor opposition to the bill has likely halted the bill for now, but fears remain that the legislation could resurface in a lame duck session.

OMA labor relations counsel, Matt Austin, testified against the bill in the House and Senate, citing its overly broad and unduly burdensome provisions that grant unions a

monopoly on construction contracts. You can find Austin's testimony in today's meeting materials.

HB 327: E-Verify Mandate

A bill requiring all employers with over 75 employees to use the E-Verify System was passed in the Ohio House and currently sits in Senate Committee. According to the bill sponsors, House Bill 327 was introduced with the intent to "streamline the hiring process for employers" while making it "harder for human traffickers to exploit illegal workers in Ohio"

E-Verify is a web-based system offered at no cost to the user by the United States Government to verify employment eligibility; however, using E-Verify is not mandatory under federal law for private employers. If passed, HB 327 would mandate use of the system for manufacturers operating in Ohio.

The OMA is monitoring this bill, which received its first hearing in the senate on November 12. Though many manufacturers currently utilize the E-Verify system, the bill has the potential to bring new amendments that could place additional burdensome requirements on hiring practices. The OMA will continue to monitor the bill through the committee process. See the memo from OMA Counsel Bricker Graydon located in today's meeting materials for more information on the bill.

SCOTUS Overturns Chevron Doctrine in *Loper Bright Enterprises V. Raimondo*

The end of the Chevron doctrine marks a significant shift in how courts will review agency rules, particularly affecting regulatory bodies like OSHA. Previously, courts often deferred to agencies' interpretations of ambiguous statutes, but now, judges will have more authority to independently interpret the law, potentially limiting the agencies' power. For manufacturers and other employers, this means a greater ability to challenge agency rules and citations, which could result in more rigorous judicial scrutiny of regulations that impact workplace safety. The change could lead to a reduction in the influence of regulatory agencies on manufacturers' operations, especially in contentious rulemaking processes.

OSHA Finalizes Union Walkthrough Rule

Federal regulators finalized a proposed rule to give designated union representatives, or virtually any non-expert third party individual, the right to accompany OSHA inspectors during facility "walkarounds" or inspections — regardless of whether the representative is an employee of the facility. The rule took effect on May 31, 2024. In May, the National Association of Manufacturers (NAM) joined a coalition of national business associations challenging the rule. Many are predicting that Trump's administration will repeal this rule.

The OMA made public comments to OSHA opposing the rule on the grounds that allowing virtually anyone to join an OSHA inspection process transforms a safety-focused endeavor into a tool for union organizing, a tactic for attorneys in litigation, a threat to trade secrets, and a means to harass employers.

You can find The OMA's comments in today's meeting materials. In follow up advocacy efforts, the OMA sent a letter to Ohio's congressional delegation with nearly 200 of our member companies signing on to urge legislative action against the rule. That letter can also be found in today's meeting materials.

FTC Non-Compete Agreement Ban Struck Down in Courts

Last spring, despite OMA opposition, The Federal Trade Commission (FTC) voted 3-2 in April to ban noncompete agreements that prevent tens of millions of employees from working for competitors or starting a competing business after they leave a job.

Recent developments provide a win for Ohio manufacturers – as a federal judge in Texas recently barred the rule from taking effect. The judge cited that the FTC does not have the authority to ban practices it deems unfair methods of competition by adopting broad rules.

The OMA previously led comments from Ohio’s business community opposing the rule upon its introduction, noting the mutual benefits non-compete agreements provide to both employers and employees, along with the necessary protections to manufacturers’ trade secrets. Those comments can be found in today’s meeting materials.

Feds Make Significant Expansion to Overtime Rule

The Biden Administration recently finalized a new rule set to make millions of salaried workers eligible for overtime pay in the U.S.

Starting July 1, employers will be required to pay overtime to salaried workers who make less than \$43,888 a year in certain executive, administrative and professional roles, the Labor Department said Tuesday. That cap will then rise to \$58,656 by the start of 2025.

This is another rule that is predicted to be on the chopping block for the Trump administration.

Workforce

Alternative Licensure Pathways for Career Tech Instructors

The OMA recently provided testimony in support of House Bill 432, which aims to address the shortage of career technical instructors in Ohio by creating alternative licensure pathways. As employers continue to cite talent availability concerns, it is essential that Ohio’s students have access to education programs to assist them as they evaluate in-demand career pathways, including manufacturing.

Enhancing Ohio’s Workforce Through Preparation of Returning Citizens

Senate Bill 198 is currently pending in Senate Small Business and Economic Opportunity Committee. This bill would require the Ohio Department of Rehabilitation and Corrections and Ohio Department of Youth Services to provide an eligible inmate with necessary identification documents to assist in obtaining employment once released from prison. These documents include a photo ID, a social security card, birth certificate, and a copy of the vocational training/work record of the inmate, if applicable. This bill reduces barriers to employment for individuals who are focused on re-entering the workforce.

Human Resources & Workforce News

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Human Resources, Health Care & Employment Law Legislation

Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB12 REFORM OHIO DEPARTMENT OF EDUCATION** (JONES D, DOBOS D) To rename the Department of Education as the Department of Education and Workforce; to create the position of Director of Education and Workforce; and to reform the functions and responsibilities of the State Board of Education and the Superintendent of Public Instruction.
- Current Status:** 4/18/2023 - House Primary and Secondary Education, (Fifth Hearing)
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-12>
- HB49 HOSPITAL PRICE INFORMATION** (FERGUSON R, BARHORST T) Regarding facility fees and the availability of hospital price information.
- Current Status:** 6/26/2024 - Consideration of Senate Amendments; House Does Not Concur, Vote 2-93
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-49>
- HB92 SAVE OHIO SAFE RX** (YOUNG T, SANTUCCI N) To establish the Canadian Prescription Drug Importation Program, to name this act the Save Ohio Safe Rx Act, and to make an appropriation.
- Current Status:** 6/12/2024 - House Public Health Policy, (Third Hearing)
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-92>
- HB106 PAY STUB PROTECTION ACT** (JARRELLS D, LIPPS S) To enact the Pay Stub Protection Act requiring employers to provide earnings and deductions statements to each of the employer's employees.
- Current Status:** 4/9/2024 - Senate Small Business and Economic Opportunity, (Second Hearing)
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-106>
- HB203 TIMELY PAY OF CONTRACTORS** (ROEMER B, SWEENEY B) To require owners of private construction projects to timely pay contractors.
- Current Status:** 6/26/2024 - Senate Workforce and Higher Education, (First Hearing)
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-203>
- HB205 PROTECT OHIO WORKERS ACT** (SWEARINGEN D, PLUMMER P) To enact the "Protect Ohio Workers Act" regarding construction services performed under a contract at a stationary source.
- Current Status:** 11/14/2023 - Senate Energy and Public Utilities, (Third Hearing)
- State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-205>

- HB327** **REQUIRE CERTAIN CONTRACTORS TO USE E-VERIFY** (WIGGAM S) To require government contractors, private nonresidential contractors, and certain employers to use E-verify.
Current Status: 11/12/2024 - Senate General Government, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-327>
- HB384** **CAP COST SHARING FOR INSULIN DRUGS** (ABDULLAHI M, HALL T) To cap cost sharing for prescription insulin drugs and diabetes devices.
Current Status: 5/22/2024 - House Insurance, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-384>
- HB427** **GREATER OPPORTUNITIES FOR PERSONS WITH DISABILITIES ACT** (JARRELLS D, LIPPS S) To phase out the subminimum wage for individuals with physical or mental disabilities and to name this act the Ohio Employment First and Greater Opportunities for Persons with Disabilities Act.
Current Status: 4/16/2024 - House Government Oversight, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-427>
- SB1** **REFORM OHIO DEPARTMENT OF EDUCATION** (REINEKE W) To rename the Department of Education as the Department of Education and Workforce; to create the position of Director of Education and Workforce; and to reform the functions and responsibilities of the State Board of Education and the Superintendent of Public Instruction.
Current Status: 5/9/2023 - House Economic and Workforce Development, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-1>
- SB9** **LAW CHANGES-MEDICAL MARIJUANA** (HUFFMAN S, SCHURING K) To amend the law related to medical marijuana.
Current Status: 5/16/2023 - Senate General Government, (Seventh Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-9>
- SB30** **YOUTH WORKING HOURS** (SCHAFFER T) To allow a person under sixteen years of age to be employed after 7 p.m. during the school year.
Current Status: 5/9/2023 - **REPORTED OUT**, House Commerce and Labor, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-30>
- SB31** **LEGISLATIVE OVERSIGHT - UNEMPLOYMENT COMPENSATION** (SCHAFFER T) To establish legislative oversight of executive action regarding voluntary federal unemployment compensation programs.
Current Status: 3/29/2023 - Senate Insurance, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-31>

- SB47** **LEAVE USE PROHIBITION-UNION ACTIVITIES** (HUFFMAN S) To prohibit a public employer from providing paid leave or compensation for a public employee to engage in certain union activities.
Current Status: 11/13/2024 - Senate Judiciary, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-47>
- SB96** **LABOR LAW NOTICES-POSTING** (LANG G, WILSON S) To allow employers to post certain labor law notices on the internet.
Current Status: 6/11/2024 - **REPORTED OUT**, House Commerce and Labor, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-96>
- SB98** **FRAUDULENT, DECEPTIVE BUSINESS PRACTICES** (RULLI M) To address fraudulent business filings, deceptive mailings, reinstatement of canceled business entities, and addresses of statutory agents, and to make changes regarding property taxation, fire investigator firearms, acting or assigned judge reimbursements, common pleas clerk of court duties, recreational vehicle park and camp operation licenses, and state ballot numbering.
Current Status: 7/24/2024 - **SIGNED BY GOVERNOR**; eff. 90 days
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-98>
- SB126** **NONCOMPETE PROVISIONS-HEALTH CARE** (JOHNSON T) Regarding the use of noncompete provisions in certain health care professional employment contracts with nonprofit hospitals.
Current Status: 1/24/2024 - Senate Health, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-126>
- SB146** **INCREASE STATE MINIMUM WAGE** (SMITH K, CRAIG H) To increase the state minimum wage.
Current Status: 9/27/2023 - Senate Workforce and Higher Education, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-146>
- SB180** **UNEMPLOYMENT BENEFITS-STRIKING WORKERS** (HICKS-HUDSON P) To provide unemployment benefits to striking workers and to declare an emergency.
Current Status: 11/13/2024 - Senate Insurance, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-180>

President
RYAN AUGSBURGER

1/26/2024

RE: OSHA's Walkaround Rule – Docket No. OSHA-202300008 / RIN 1218-AD45

Members of the Ohio Congressional Delegation:

The Ohio Manufacturers' Association (OMA) – comprised of approximately 1,300 member companies, including the signatories below – strongly opposes the U.S. Department of Labor's proposed Occupational Safety and Health Administration (OSHA) rule change (RIN 1218-AD45). This rule would permit non-employees, including union personnel, to accompany OSHA inspectors during workplace inspections.

The safety and well-being of Ohio's manufacturing employees are paramount to our association. For more than a century, we have supported critical regulations that have enhanced workplace safety.

However, OSHA's proposed rule poses significant risks to our industry and the safety inspection process. Allowing non-employees to join inspections raises legitimate concerns among manufacturers – primarily in the areas of workforce safety, union organizing, and trade secrets.

Specifically, the proposed rule threatens Ohio manufacturers with the potential for the following:

- Deliberate union organizing tactics targeting non-union workers.
- Expansion of inspection scope beyond OSHA's original intent.
- Exposure of trade secrets and proprietary information.
- Misuse of information by attorneys involved in litigation.
- OSHA's unchecked discretion in selecting third-party individuals to join inspections.

We urgently request your attention to review and prevent the implementation of these rules using your congressional authority. This proposed rule change jeopardizes workplace stability and could result in substantial expenses for all parties involved in the inspection process.

Attached are the OMA's public comments, which provide an in-depth analysis of the detrimental impact this rule will have on Ohio's largest industry. Thank you for your service to Ohio and its manufacturing community.

Sincerely,



Ryan Augsburger
President
The Ohio Manufacturers' Association

Enclosure

Rable Machine Inc
International Hydraulics
Inc.
Catania Medallie
Wilkinson Law, Ltd
ProFusion Industries
Wells Manufacturing
Company, LLC
Miba Bearings US LLC
Fox Lite, Inc.
Herbert E. Orr Company
Armaly LLC
Taylor Metal Products
Company
Chemical Services Group,
Inc.
Brilex Industries, Inc.
De Nora Tech LLC
Fiber-Tech Industries
Major Metals Company
Haviland Drainage
Products
Ohio Transitional Machine
& Tool Inc.
Coyne Graphic Finishing
Inc
Modern Plastics Recovery
Advanced Fiber
Technology
Haviland Culvert Company
Haviland Plastic Products
Universal Metal Products
Inc.
General Die Casters, Inc.
Solmet Technologies
OPC Polymers LLC
Hirzel Canning Company
BettsHD
A&M Refractories, Inc.
Eagle Elastomer Inc.
Roki America Co., Ltd
A&M Refractories, Inc.
Pentaflex, Inc.
Eastgate Group Ltd
Contour Forming Inc.
Applied Specialties, Inc.
Syensqo
Die Co., Inc.
Heritage Thermal Services
Mid West Fabricating
Company

Advanced Fiber
Technology
Applied Specialties Inc
Mid West Fabricating Co.
Verhoff Alfalfa Mills, Inc.
Mid West Fabricating Co.
Mid West Fabricating
Principle Business
Enterprises, Inc.
Electric Eel Mfg Co Inc
Rhodes Manufacturing,
LLC
Osco Industries, Inc.
Spartan Chemical
Company, Inc.
General Die Casters
Cooper Enterprises, Inc.
Mid West Fabricating
The Dupps Company
The Champion Company
FabOhio, Inc.
LIVI STEEL, INC.
Wm. Sopko & Sons Co
OPC Polymers LLC
OPC Polymers LLC
Tusco Limited Partnership
Lukjan Metal Products
Flexmag Industries, Inc.
Spray Products
Corporation
Hitch-Hiker Mfg., Inc.
Empire Die Casting
Company
High Tech Molding and
Design, Inc.
Staub Manufacturing
Solutions
Ohio Carbon Blank
Fusion Ceramics, Inc.
Thermotion, LLC
Rudolph Foods
Company, Inc
Etched Metal Company
John Cockerill Industry
Zaclon LLC
Mid West Fabricating
Delta Systems Inc.
Midwest Fabricating
Mid West Fabricating
Company
Plaskolite, LLC

31 Inc
Angel Printing &
Reproduction Inc.
Charter Steel
International Metal Hose
The Scotts Miracle-Gro
Company
NMG Aerospace
White Castle System, Inc.
The Belden Brick
Company
Midwest Fabricating
Haviland Plastic Products
AMG Vanadium LLC
claffin company
Central Coated Products
Inc
RESPONSE PIPING
SYSTEMS
Universal Metal Products,
Inc.
Ghent Manufacturing
Profusioin Industries
Norwalk Concrete
Industries
Chas Svec Inc
Clarke Power Services,
Inc.
Harrison Paint Company
The Lanly Company
ScottsMiracle-Gro
French Oil Mill Machinery
Company
Central Coated Products,
Inc.
GMI Companies
Airstream
The Yost Superior Co.
Advanced Composites Inc.
Liberty Casting Company
Seilkop Industries, Inc.
Summers Rubber Co
Elliott Machine Works, Inc.
EPP Inc.
Haviland Drainage
Products
Channel Products Inc
Riverview Industrial Wood
Products
McGregor Metal
Robin Industries, Inc.

Columbiana Boiler
Company, LLC.
The Distillata Company
Air Technical Industries,
Inc.
The Wilson Bohannan
Company
Built-Rite Box & Crate inc
Bowerston Shale Co.
Benchmark Woodworks
Co.
FC Brengman &
Associates
Warren Rupp, Inc.
Creative Plastics
International, Inc.
Copeland
Iten Industries Inc
WURM'S
WOODWORKING CO.
Unverferth Manufacturing
Company
Jergens, Inc
American Light Metals
LLC, dba Empire Die
Casting Company
Fort Recovery Industries,
Inc.
G L Heller Co. Inc.
DAI Ceramics LLC
Lee's Grinding, Inc.
LifeLine Mobile, Inc.
Ferragon Corporation
Lion Group, Inc.
Smithers-Oasis Company
Superior Forge & Steel
Ernst Metal Technologies
LLC
Dayton Phoenix Group
JB3Moto
Integrated Development
and Manufacturing
Company
Phillips Tube Group, Inc.
R & J Cylinder and
Machine, Inc.
NEMCO FOOD
EQUIPMENT CORP
Durable Corporation
Bernard Labs
FC Brengman & Assoc.

CDC REAL ESTATE
HOLDING LLC
McWane Ductile Ohio
PTC Inc
FDI Cabinetry LLC
American Bronze Corp
Mechanical Rubber
Coate Concrete Products
Inc
Johnson Bros. - West
Salem Inc.
OPC Polymers LLC
Starr Manufacturing, Inc.
Lukjan Metal Products, Inc
Falcon Industries Inc
Hi-Tek Manufacturing, Inc
Starr Manufacturing, Inc.
Starr Manufacturing, Inc.
PPG
Canfield Industries, Inc.
Elite Biomedical Solutions,
LLC
Koester Corporation
IMCO Carbide Tool Inc.
THE BUCKEYE
STAMPING CO INC
Kaivac, Inc
MTM MOLDED
PRODUCTS COMPANY
Lima Pallet Company Inc.
Lima Pallet Company, Inc.
French Oil Mill Machine
CO
HEXPOL Compounding
Americas
Kinetics Noise Control Inc
G.L. HELLER CO. INC.
T.J. Clark International,
LLC
Ft. Recovery Industries,
Inc
Nelson Manufacturing
Company



October 17, 2023

VIA Electronic Submission (<http://www.regulations.gov>)

Attn: Mr. Douglas L Parker
Assistant Secretary of Labor for OSHA
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

**Re: Public Comment – Worker Walkaround Representative Designation
Process – Docket No. OSHA–2023–0008 / RIN 1218-AD45**

The Ohio Manufacturers' Association (OMA) is providing the Department of Labor's Occupational Safety and Health Administration (OSHA) with written comments on RIN 1218-AD45, the agency's proposed rulemaking that seeks to redefine the worker walkaround representative designation process.

The OMA is dedicated to protecting and growing manufacturing in Ohio by representing over 1,300 manufacturers where safety and health are paramount to their operations. For more than 100 years, the OMA has supported reasonable and necessary regulations that promote the safety and health of employees who work for OMA member companies. RIN 1218-AD45 is neither reasonable nor necessary to promote safety or health at work.

History of OSHA's Walkaround Representative Policy

Under current federal OSHA regulations, outside union officials and other third parties who do not work at the site are not automatically entitled to accompany an OSHA inspector during an OSHA inspection, often referred to as a "walkaround."

Per current regulation, a third party is permitted to attend an inspection only if OSHA believes "good cause has been shown why accompaniment by a third party who is not an employee of the employer (such as an industrial hygienist or a safety engineer) is reasonably necessary to the conduct of an effective and thorough physical inspection of the workplace." CFR § 1903.8(c).

On February 21, 2013, OSHA issued a letter of interpretation authored by then Obama-era OSHA Deputy Assistant Secretary Richard Fairfax (the Fairfax Memo) in response to questions posed by the United Steelworkers of America union. The Fairfax Memo unilaterally permitted union representatives or other third parties to accompany OSHA inspectors during onsite inspections even if the worksite was non-union and the "representative" was not an employee of the employer. This interpretation expanded who could accompany an OSHA inspector on a walkaround from "industrial hygienist or safety engineer" as defined by the

OSH Act, to unions, community organizations, and virtually anyone else acting on behalf of employees.

The National Federation of Independent Businesses sued OSHA in federal district court alleging that the Fairfax Memo's interpretation of the OSH Act amounted to a legislative rule adopted without notice and comment as required by the Administrative Procedures Act of 1946.

OSHA moved to dismiss the lawsuit, but the court found that the NFIB had stated a claim upon which relief could be granted. Before resolution of the lawsuit, however, President Trump was sworn into office, and on April 25, 2017, the Trump administration formally rescinded the guidance set forth in the Fairfax Memo, and the NFIB withdrew its lawsuit.

President Biden, who has repeatedly said, "I intend to be the most pro-union president leading the most pro-union administration in American history," has, through RIN 1218-AD45, resurrected *and expanded* the Fairfax Memo's ideologies.

Proposed Changes to OSHA's Walkaround Representative Policy

The Executive Summary of RIN 1218-AD45 concedes, "a district court concluded that [the Fairfax Memo's] interpretation was not consistent with the regulation." OSHA is now using the rulemaking procedure to legitimize its position that unions and other third-party representatives may accompany employees during OSHA inspections. This rule seeks to make two significant and unnecessary changes to the law.

First, the current regulation states: "[t]he representative(s) authorized by employees **shall be an employee** of the employer." (emphasis added) The proposal rule would change this language to: "The representative(s) authorized by employees **may be an employee** of the employer **or a third party**."

Second, the current regulation allows a non-employee "such as an industrial hygienist or a safety engineer" only if it "is reasonably necessary to the conduct of an effective and thorough physical inspection of the workplace." In practice, only those with technical expertise and credentials, or perhaps a unique language interpreter, have been permitted to accompany an OSHA inspector on an inspection.

The proposed rule eliminates the requisite technical credentials when stating that a third-party representative may be "reasonably necessary" simply because of "relevant knowledge, skills, or experience with hazards or conditions in the workplace or similar workplaces, or language skills."

These changes do not make the workplace safer or healthier. They simply remove any qualifying barriers to who can traipse through a worksite. The Notice of Proposed Rulemaking admits this, too, when it states:

There are a multitude of third parties who might serve as representatives authorized by employees for purposes of the OSHA walkaround inspection, [including] worker advocacy organizations, labor organization representatives, consultants, or attorneys who are

experienced in interacting with government officials or have relevant cultural competencies may be authorized by employees to represent them on walkaround inspections.

Permitting just about anyone to accompany an OSHA inspection would convert the inspection from being focused on workplace safety to being an organizing tactic for unions, a litigation strategy for attorneys, and an opportunity to harass employers.

The Impact of the Proposed Changes to OSHA's Walkaround Representative Policy

Union Organizing

The OSH Act has always allowed an employee who is represented by a union to accompany OSHA inspectors conducting onsite inspections. But the proposed rule would allow union representatives access inside non-union workplaces.

This would give unions unprecedented leverage in union organizing campaigns by granting them the unfettered ability to communicate directly with non-union employees during an OSHA inspection while those employees are at work. Pro-union employees could file OSHA complaints and select a union representative to accompany the CSHO on the walkaround. Unions would also be incentivized to monitor OSHA complaint filings, contact employees, and attempt to receive authorization to attend walkarounds. Unions could then take credit for any subsequent OSHA citations in a thinly veiled attempt at demonstrating their value to non-union workers. Moreover, since anyone can file an OSHA complaint, a strong argument could be made that if the union files the OSHA complaint, the union is automatically an interested party and entitled to accompany the CSHO on the walkaround.

Expansion of Inspection

CSHOs are only permitted to inspect allegations in the complaint or anything they see in plain view. This is called the "plain view doctrine." The proposed rule would expand the plain view doctrine by allowing union officials, community organizers, or others to physically walk with the CSHO but constantly scan other parts of the employer's facility to find potential violations of the OSH Act while the OSHA inspector is focused on inspecting the allegations of the complaint.

These additional sets of eyes could nefariously bring attention to unrelated parts of the facility necessitating a detour of the inspection. That detour would not only delay the conclusion of the inspection, but it could effectively convert a targeted inspection based on a complaint to an unnecessarily comprehensive and time-consuming "wall-to-wall" inspection. OSHA has neither the personnel nor budget for this effect.

Bilingual

The Notice of Proposed Rulemaking permits CSHOs to allow bilingual community organizers or advocates with no relevant safety experience access to employees and the work site during an inspection solely because of their language skills. This is a big departure from the current rule that permits bilingual individuals if they have the requisite technical credentials.

If communicating with non-English speaking workers is a goal of OSHA, then OSHA could send one of its inspectors who speak the same language as the employee. Or OSHA could retain the services of an accredited translator. But that is obviously not the goal of the proposed rule. Instead, the rule is focused on allowing anyone employees desire to accompany them on the inspection and walk throughout the private parts of an employer's property.

Trade Secrets

The proposed rule effectively permits anyone to accompany a CSHO during a walkaround inspection. This unfettered access to an employer's private property does not make the workplace safer or healthier. Alternatively, it exposes the employer's trade secrets and proprietary information to the public who has no legitimate right to access the private property or know the proprietary information.

Employers may be able to restrict third-party access to areas containing proprietary information, according to the proposed rule. But there is neither a guarantee that the restriction will be followed by the CSHO, that through the expansion of the plain view doctrine the third-party would not discover proprietary information in an area not within the scope of the initial inspection, or that the employer, CSHO, and third-party would not agree on whether the inspection will reveal proprietary information.

From a practical perspective, employers will declare the entire property is rife with proprietary information and deny any third-party access to it. This will result in delayed investigations, search warrants, and litigation over whether the third-party is entitled to accompany the CSHO and the parameters of that entitlement.

Attorneys Litigating against the Company

Another potential abuse of this unnecessary extension of law is attorneys for injured or deceased workers who are preparing to sue an employer or are in the middle of a lawsuit against the employer. These unscrupulous attorneys could gain access to the inner workings of a company and discover things that are beyond the scope of the discovery process and the attorney would otherwise never have learned. Litigation has strict discovery procedures. The proposed rule would effectively make many of those procedures moot.

CSHO has Complete Discretion

The participation of non-employees during an OSHA walkaround would not need the employer's approval. With only an inspector's permission, a community activist or a union's safety expert could participate in the inspection of a non-union manufacturer.

This authority is given to CSHOs without any oversight. CSHOs have the "authority to resolve all disputes as to who the representative is authorized by the employer and employees for the purpose of this section" 29 CFR 1903.8(b).

Nothing guides the CSHOs' decisions to ensure they follow the law. As drafted, the new rule will leave employers with no recourse, short of refusing an inspection, if a CSHO selects someone to accompany him or her on the inspection that the employer objects to joining the inspection.

Although the proposed regulation *currently* requires a CSHO to determine that the presence of a third party is "reasonably necessary," OSHA's request for public comments suggests it may scrap that requirement. OSHA has asked whether it should "defer to the employees' selection of a representative" without consideration of whether that representative would aid in the conduct of the inspection. This complete abscondence of a check and balance of who has access to a private company's property is absurd.

If finalized, the proposed rule will insert instability and unpredictability into the inspection process. It will open an unprecedented avenue for union organizing. And it will cause delay and increased expense to everyone involved in the OSHA inspection process.

The OMA appreciates the opportunity to provide these comments. If OSHA has any questions regarding the foregoing, please do not hesitate to contact me at (614) 224-5111.

Sincerely,



James Lee
Director of Public Policy
Ohio Manufacturers' Association

cc: Matt Shurte, Committee Chair



Top 10 Workplace Law Developments To Expect Under President Trump

Insights

11.06.24

Now that we know Donald Trump will return to the White House as President, it's time for employers to take a look at what they might expect during his second term in office. We have gathered insights from some of our firm's key thought leaders to provide their perspective on what President Trump will aim to accomplish when it comes to workplace law – and what employers can do to prepare. *And for further analysis, make sure to register for our complimentary [Fisher Phillips Post-Election Recap for Employers webinar](#) on November 13.*



Quick Word on What to Expect in D.C.

While Republicans will control the White House and the Senate, we'll likely remain unsure which party will control the House for several more days or weeks. Regardless of which side prevails, that party will hold the House by a razor-thin majority, making major and controversial legislation unlikely. Even if the Republicans hold the House, their narrow majority will be a barrier to enacting anything that peels away even a handful of moderates. And Republican control of the Senate needs to be tempered given the potential of a Democrat filibuster on certain controversial decisions, which could prove just as much of an obstacle.

1. Returning to a Level Labor Relations Playing Field

In an unexpected twist, Trump made repeated [appeals to organized labor on the campaign trail](#). Will those campaign overtures lead to more labor-friendly policies than we're used to seeing from

Republican leaders in the White House? While we expect to see Trump's team float economic policies aimed at boosting the middle class, we still believe his administration will rebalance the scales when it comes to federal labor law policy and employers will generally have more leeway over the next four years.

- It takes time for new Board leaders to be installed by a new administration and begin to change policy, but we'll eventually see the Trump NLRB reverse efforts to smoothing the path for unions and union organizers. Labor advocates and unions have enjoyed the Biden administration's actions over the past few years – we've seen the agency create a new standard to make it harder for employers to enforce workplace misconduct rules, change rules to make it more difficult to decertify unions, give the green light for third parties like union representatives to accompany safety inspectors during facility walkarounds, permit workers to promote political and social causes on their workplace uniforms, and create a new labor-friendly framework for determining when employers are required to bargain with unions without a vote by employees – just to name a few. Expect to see these efforts wiped clean or reversed over time between 2025 and 2028.
- We can look to the past to see what to expect in the future. Just as Trump rolled back the NLRB's "quickie election" rule and issued rules that had made it easier for workers to undo union representation during his first term in office, we will see him do the same this time around.
- And just as Biden fired Trump's NLRB General Counsel within hours of taking office, we expect Trump to jettison Jennifer Abruzzo as one of his first acts as President. For several years, she pushed an ambitious agenda – including wanting to crack down on stay-or-pay provisions, ban most non-compete agreements, and make student-athletes employees. We'll probably see an equally ambitious appointee named by Trump who will work to undo much of the policy that GC Abruzzo pushed.
- From the legislative side, Vice President-elect JD Vance introduced a bill earlier this year in the Senate that would "give employees a voluntary opportunity to negotiate on their own terms and without fear of legal action or bureaucratic meddling, a practice currently prohibited by existing labor laws." It remains uncertain whether the new Congress would entertain such a proposal. Meanwhile, Trump vowed in 2020 to veto the PRO Act – a union wish list of goals wrapped up in one package – if it were to pass Congress. So don't expect that to see the light of day for the next four years.

What Should You Do? *Evaluate your workplace policies and training with counsel to align with the expected shift we'll soon start to see – but ensure compliance with recent NLRB decisions until then. Meanwhile, monitor potential legislative or administrative changes by making sure you are subscribed to the FP Insight System. Finally, make sure you are aligned with your FP labor counsel when it comes to possible union organizing efforts during the waning days of labor-friendly policy.*

2. Relaxed Workplace Safety Measures

Reversing course from the Biden administration, Trump will likely reduce government oversight on workplace safety issues. During his first term in office, Trump's administration cut the number of inspectors to the lowest amount in OSHA's history, declined to mandate employers to take any protective measures against COVID-19, and rescinded part of the electronic recordkeeping requirements. Expect more of the same over the next four years.

- Rather than mandating specific standards for different categories of potential workplace danger, you can expect a Trump-led OSHA to enforce safety concerns using the OSH Act's General Duty clause.
- We also expect to see Trump ditch the "union walkaround" rule noted above.
- Finally, expect to see the proposed heat safety rule that is slated to take effect as soon as 2025 scaled back dramatically or scrapped altogether.

What Should You Do? *You can track the number of workplace inspections in your area and industry using FP's exclusive OSHA Inspections Tracker, as we expect to see those numbers drop. But you'll still need to ensure compliance with workplace safety laws. Consider reviewing your inspection readiness and strengthening workplace violence prevention measures to make sure you are in the best possible position.*

3. Overtime Pay Hike Could Get Scaled Back

This one's tricky, because the rule to dramatically boost the number of workers eligible for overtime is set to kick in on January 1 – about three weeks before Trump takes office. So even if he opposes it, his ability to effect change is somewhat hampered.

To backtrack a bit and provide context, the Biden Department of Labor (DOL) passed a rule that extends overtime coverage to about 4 million additional workers by raising the salary threshold for the so-called "white-collar" exemptions. It rose to about \$44K on July 1, and is set to jump to nearly \$59k on January 1. Not to be overlooked, the total compensation threshold for the highly compensated exempt employees is set to increase to a whopping \$151,164 in 2025.

Looking to the past might offer a prediction on how Trump's DOL will treat this new rule. In 2017, the Trump administration effectively ensured that an Obama-era overtime rule that similarly aimed to significantly expand coverage never saw the light of day. It then issued a new OT rule expanding overtime pay obligations but to far fewer workers than what the Obama rule would have done. But again, that Obama-era rule had not yet taken full effect when Trump first took office, which allowed his DOL to take broad action.

If the current OT rule takes effect as slated on January 1, it is unlikely that the Trump DOL will be able take action to roll it back right away since administrative agencies need to follow time-consuming regulatory procedures before taking such sweeping actions. By the time the Trump DOL

could take action, the wage hikes will have already kicked in and scaling back the salary threshold would have limited utility.

A more likely scenario: a court puts the OT rule on ice and it doesn't take effect on January 1 as scheduled, allowing the Trump DOL time to take action and either scrap or dramatically scale back the new salary threshold. We'll have to stay tuned to see how the court case shakes out over the next few months.

What Should You Do? *Keep track of the pending litigation to determine whether it will take effect on January 1 by subscribing to the FP Insight System. But you can't plan on the rule being stalled by litigation, so follow this 10-step plan to make sure you are prepared for it taking full effect. Also, make sure to take the changes into account as you wrap compensation season.*

4. No (or Slight) Increases Federal Minimum Wage

While Vice President Harris backed a federal minimum wage hike from \$7.25/hour to \$15/hour during her campaign, we won't see such a dramatic push by President Trump in his second term. He made no move to increase the rate during his first term in office (it's remained at \$7.25/hour since 2009, in fact) – but what about this time around?

First and foremost, Trump would need the approval of Congress to carry out any federal minimum wage hike – so that must be taken into account before any other consideration.

Second, Trump criticized the idea of increasing the federal minimum wage as harmful to small businesses during his 2020 campaign. But the political winds have shifted a bit since then and Trump's 2024 campaign advanced a populist message aimed at garnering support from the working class. The 2024 GOP platform on the Trump campaign's website, in fact, supports "raising wages." It would not be surprising to see a push for a slight increase to the federal minimum wage – but nowhere near \$15/hour.

Regardless of how this shakes out at the federal level, we can expect to see more states and localities implementing their own minimum wage hikes over the coming years. The majority of states now have laws imposing minimum wages well above the federal \$7.25 per hour rate, and numerous counties and cities have enacted similar measures. You can track state and local minimum wage levels and more by visiting our FP interactive heat maps.

What Should You Do? *Focus on your state and local laws in order to keep pace with any minimum wage increase.*

5. Support for No Taxes on Tipped Wages

On the campaign trail, Trump and Harris joined together in a rare moment of agreement by saying they would both support legislation that ends federal income taxes on tips for hospitality workers.

Supporters say such a move would help employees take home more pay without forcing hospitality employers to increase base wages in the face of high inflation and low margins. Critics, however, say income-tax-free tips may drive base wages down, encourage customers to tip less, and cause a revenue shortfall for the federal government.

This campaign promise is a long way from becoming law – but it had bipartisan support during campaign season, and we've already seen some movement in Congress on this issue. We'll stay tuned to see how federal lawmakers treat this issue now that campaigning is over.

What Should You Do? *Hospitality employers should start thinking about how this change could impact your wage structure, tip pooling, policies on employees reporting the tips they receive, and other pay policies. You can get more information by [visiting the FP Tip Credit Toolkit](#). And you also should be tracking [legislative developments at state and federal levels regarding tip-credit rules and taxes on restaurant service fees](#).*

6. Pay Data Collection Won't Get Resurrected

The Equal Employment Opportunity Commission (EEOC) has already announced it seeks to revive "Component 2" pay data collection as part of your annual EEO-1 submission – but there is little doubt the Trump administration will put an end to this initiative before it gets started.

The proposal would require employers to turn over information to the government about the wages they pay their workers and the number of hours worked. The EEOC (and others) would use this data to identify pay gaps, and then target specific employers to investigate alleged pay discrimination practices.

But in 2017, the Trump administration dropped the very same revised EEO-1 report the EEOC is now seeking to revive. At the time, officials cited concerns that the revised collection of information lacked practical utility, would be unnecessarily burdensome, and failed to adequately address privacy and confidentiality issues. It seems likely that Trump's position will remain the same this time around, especially given the trend against expansion of agency power we have seen take root in the past year.

What Should You Do? *While the pay data collection initiative won't be resurrected, many pay equity initiatives have taken hold across the country at the state level. Visit our [FP Interactive Pay Equity map](#) to track the specific laws that impact your business operations across the country. Also, don't expect the Trump EEOC to ignore pay equality issues altogether. Consider [taking these four steps](#) to ensure pay equity, level the playing field, and avoid significant penalties.*

7. Expect Paid Leave to Remain a State Issue

The United States remains the only industrialized nation that doesn't provide a federal mandate ensuring workers have at least some paid time off to manage an illness or for the birth of a child.

And Trump took a big step during his first term in 2020 by approving a law permitting federal employees to take 12 weeks of paid parental leave. When you combine those two facts with the notion that the Trump-Vance campaign targeted middle-class working voters as a key demographic, could we see the second Trump administration push for some sort of federal paid leave law?

While there appears to be some momentum for a bipartisan paid leave solution, we think it unlikely for any real momentum to develop. Similar to the minimum wage, this is an area where many employers are already facing a multitude of local and state paid sick leave requirements, and it seems likely that federal lawmakers will allow this issue to remain at the state level for the next several years.

What Should You Do? *Expect to see an increase in the number of jurisdictions that will impose a paid leave requirement on businesses operating in their area. Track your local and state leave law requirements until you hear otherwise.*

8. Immigration Reform Will Tighten Foreign Workforce Use

Immigration reform was a centerpiece of the first Trump administration and had a major impact on foreign nationals and U.S. employers – expect more of the same during round two.

We'll see the Trump administration curtail the reliance on highly skilled foreign workers, throwing roadblocks up for employers who rely on the H-1B visa program. We'll also see the administration raise the bar for issuing employment-based green cards and expand penalties for employers who harbor undocumented workers.

Trump has indicated an intent to carry out the largest deportation operation in U.S. history and to end programs like Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS) for several countries. These policies would have a significant impact on the available workforce, with DACA alone accounting for 500,000+ workers.

What Should You Do? *Monitor possible immigration reforms that may impact hiring and employment practices, particularly in industries relying on a foreign workforce. If your business relies on H-1B labor, stay tuned for potential changes to the program that could make things more challenging for you to bring aboard skilled labor from overseas. Start taking measures to tighten up your employment eligibility verification process to ensure that your business is not impacted by mass deportations. This is particularly important for industries that rely heavily on an unskilled labor.*

9. Artificial Intelligence Given Free Rein at Federal Level

The Biden-Harris administration issued a [sweeping AI executive order](#) last year containing numerous items that could eventually impact the workplace – and Trump's campaign platform

promised to repeal it. Trump has described it as “dangerous” and a hinderance to innovation, so you can expect it to be scrapped early on in his second term.

He has not yet provided any details as to how he would approach AI issues – though he has spent a good deal of time appealing to tech leaders and seeking their campaign support, signaling an openness to fostering strong relations with the industry.

But even if we don’t see federal action at the agency or legislative level, we’ll start to see courts impose liability on employers, businesses, and AI developers for unintentional discrimination and other actions that run afoul of best practices. And we’ll see states begin to regulate AI as they watch D.C. punt the issue.

What Should You Do? *Stay ahead of the curve by reviewing [the DOL’s 10-step plan for ensuring you avoid AI discrimination](#), and then make sure you have your AI governance ducks in a row by reviewing [the first steps you should take to adopt protective guardrails in your organization](#).*

10. Easier to Classify Workers as Independent Contractors

The next Trump administration will reverse President Biden’s efforts that made it harder for businesses to classify workers as independent contractors.

- Just weeks before President Biden took office in 2021, the Trump administration’s DOL finalized a new rule that would have made it easier for businesses to characterize some workers as contractors for wage and hour purposes – but then the Biden DOL froze it without it ever taking effect.
- Similarly, the NLRB issued a decision last year to make it significantly harder for companies to classify their workers as independent contractors for labor relations purposes.

Trump’s current campaign has not yet provided any specifics for how his administration would approach the issue in 2025, but we feel confident we’ll see action on this issue in the next few years and see both the DOL and the NLRB reverse course once again.

What Should You Do? *Review your independent contractor classifications to determine whether they will shift under the expected changing federal standards, while evaluating all work arrangements that might fall under an “employee” designation. Prepare for potential shifts in compliance – but remain aware of state laws that could throw up additional roadblocks.*

Conclusion

Make sure to register for our complimentary [Fisher Phillips Post-Election Recap for Employers webinar](#) on November 13 to dive deeper into all these topics – and more.

We will continue to monitor developments and provide updates, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. For more information, contact your Fisher Phillips attorney or the authors of this Insight.

Related People



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TO: OMA Government Affairs Committee
FROM: James Lee
RE: Safety & Workers' Compensation Public Policy Report
DATE: November 21, 2024

Overview

Ohio has seen significant policy developments in the Safety and Workers' Compensation Space. Ohioans voted to pass Issue 2 in the November 2023 election, which legalized recreational marijuana in the state, expanding access to employees and jeopardizing workplace safety. The issue has taken full effect as many medical dispensaries have been granted licenses for the retail sale of adult use marijuana which hit the legal market in August. Despite the OMA's concerns for employee safety, there is a silver lining for employers, as the new law provides businesses with the right to maintain their current drug-free workplace policies.

Several burdensome OSHA regulations, including the recently introduced heat rule, are now under threat of repeal following recent election of President-elect Donald Trump.

Ohio's business community also received a major win in a recent state supreme court case that will provide significant premiums savings to businesses by cutting down on over payments for temporary disability claims.

Recreational Marijuana Legalization:

On August 6, the Ohio Department of Commerce officially granted the legal right for Ohio's medical dispensaries to sell cannabis for recreational use in the state. With many cannabis shops opting into the new form of sales, Ohio has already seen a noteworthy outcome within a month of launch. From Aug. 6 to Aug. 10, the Department of Cannabis Control said the state's dispensaries racked up \$11,530,708. The latest data from the week of Aug. 17 showed customers shed little steam in their interest in adult-use cannabis, coming close to doubling the dollar total for recreational sales.

Thankfully for employers, the OMA's supported employer protections for medical marijuana apply to recreational marijuana, allowing employers to maintain their drug free workplace policies. This statute provides employers with the strongest protections in the country (See Bricker Memo in today's meeting materials for more Details).

Potential Legislative Reforms to Issue 2 Marijuana Statute

Despite initial signals from policy makers in November demonstrating a desire to pass legislative reforms to the issue 2 statute passed by voters, political squabbling between House and Senate has stifled any attempt to make changes to the law.

In December, the Senate passed a reform bill (HB 68) to amend the issue 2 statute. The bill included significant law changes to home-grow rules, THC level limits, public use restrictions, and tax provisions outlined in the issue 2 statute. Unfortunately for members of the Senate, their attempts were stifled by members of the House, who refused to act on the bill.

Negotiations between the House and the Senate have broken down due to ongoing political rivalries – however, Governor DeWine has not let the issue die down. The governor directly called on the entire Ohio General Assembly to move on reforms in his recent State of the State Address in April.

The question of future legislative movement remains completely unpredictable – as recent reports quoting House Speaker Jason Stephens are stating the Speaker is not hopeful

that the two Chambers can come together on an agreement. However, in contrast, President Huffman was quoted stating his optimism that a reform bill is coming together and could move quickly in the coming months. Any movement, if any, likely won't be seen until after the general election and potentially in next year's operating budget process.

Safety & Workers' Compensation Legislation and Rules

Legislation to Regulate Delta 8 – Synthetic Marijuana

Governor DeWine and members of the Senate have voiced their intent to place restrictions on Delta-8 THC, a milder form of the psychoactive compound in cannabis. The substance is facing a potential ban in Ohio as Governor Mike DeWine raises concerns about its under-regulation and accessibility to minors. New legislation proposed by Senator Steve Huffman will be particularly impactful to manufacturers as proposed regulations will likely restrict access for workers under the age of 21 and outlaw packaging that will allow employees to secretly use the product on the job.

The product also opens employers to ambiguity in drug free workplace policies as the drug may or may not be reported on drug tests.

Senator Steve Huffman Recently introduced SB 326, which would prohibit the sale of intoxicating hemp. The OMA recently submitted testimony in support of the bill that can be found in today's materials.

OSHA Introduces National Heat Safety Rule

OSHA recently unveiled its first-ever national heat safety rule aimed at reducing heat-related illnesses by requiring employers to implement comprehensive safety measures. This rule will impact manufacturers and employers by necessitating changes to workplace safety protocols, including regular heat risk assessments, hydration, and rest breaks. The rule also introduces new responsibilities such as training, acclimatization programs, and emergency planning, which could increase operational costs and necessitate updates to existing safety procedures.

In good news for manufacturers, experts are predicting that the incoming Trump administration will let the proposal die without implementation.

OSHA Finalizes New Expanded Electronic Reporting Rule

The U.S. Department of Labor has finalized and implemented its rule requiring establishments with 100 or more employees in certain industries (including manufacturing) to electronically submit information once a year to OSHA from their Form 300-Log of Work-Related Injuries and Illnesses and Form 301-Injury and Illness Incident Report. OSHA believes reporting this information will help to reduce occupational injuries and illnesses by allowing employers, employees, potential employees, and the general public to make informed decisions about workplace safety at given establishments.

OSHA's expansion of its requirements for annual injury tracking was covered in detail during this January's OMA safety webinar, titled "300, 301 and 300A, Oh My! OSHA Recordkeeping Requirements." You can find that webinar on the OMA's website

Dillon Supreme Court Case to Save Employers on TTD Overpayment

The Dillon decision by the Ohio Supreme Court fundamentally alters the termination date for Temporary Total Disability (TTD) benefits, impacting employers significantly. Previously, TTD benefits could be terminated at the date of the Industrial Commission hearing officer's decision, causing potential overpayments. However, with Dillon, benefits can now be terminated on the date of Maximum Medical Improvement (MMI) as determined by any physician, including those hired by the employer, leading to an earlier

termination of benefits. This change is anticipated to result in a surge of overpayments declared in Ohio, affecting employers' bottom lines.

The decision's longevity is uncertain, as it may face potential changes in the legislature. To mitigate overpayments, the Industrial Commission could expedite motions for benefit termination, potentially reducing costs for employers. Overall, Dillon promises to reduce claim costs and alleviate financial burdens on employers in Ohio. The OMA submitted a joint letter defending a recent ruling to the Industrial Commission, which can be found in today's materials.

Safety & Workers' Compensation News

[Click here for Safety and Workers' Comp Community articles from previous Leadership Briefings](#)

Workers' Compensation Legislation
Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB31** **WORKERS' COMPENSATION BUDGET** (EDWARDS J) To make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2023, and ending June 30, 2025, to provide authorization and conditions for the operation of the Bureau's programs, to make changes to the Workers' Compensation Law, and to enact a three-day interim budget.
Current Status: 6/30/2023 - **SIGNED BY GOVERNOR**; eff. immediately
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-31>
- HB32** **INDUSTRIAL COMMISSION BUDGET** (EDWARDS J) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2023, and ending June 30, 2025, and to provide authorization and conditions for the operation of Commission programs.
Current Status: 6/30/2023 - **SIGNED BY GOVERNOR**; eff. immediately
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-32>
- SB9** **LAW CHANGES-MEDICAL MARIJUANA** (HUFFMAN S, SCHURING K) To amend the law related to medical marijuana.
Current Status: 5/16/2023 - Senate General Government, (Seventh Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-9>
- SB106** **WORKERS' COMPENSATION-CHEMICALS, FLUID EXPOSURE** (SCHAFFER T) Regarding workers' compensation coverage for testing when certain medical professionals are exposed to chemical substances or bodily fluids in the course of employment and regarding medical release forms for workers' compensation claims.
Current Status: 3/13/2024 - **SIGNED BY GOVERNOR**; eff. 6/12/24
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-106>



OHIO RECREATIONAL MARIJUANA LEGALIZATION

Ohio Revised Code § 3780

November 24, 2023

On November 8, 2023, Ohio voters passed Issue 2, making Ohio the 24th state to legalize some form of recreational marijuana use. The new Chapter 3780 of the Ohio Revised Code comes on the heels of legal medical marijuana use enacted in 2016. While Ohio and other states are trending towards legalization, marijuana remains a controlled substance, and illegal at the federal level.

R.C. § 3780 is set to go into effect on December 7, 2023. However, because Issue 2 was a citizen-initiated law, the Ohio legislature can revise the language, and may do so, prior to its effective date.

Thanks to important lobbying and engagement efforts during the enactment of statutes governing medical marijuana use from groups like the Ohio Manufacturers' Association, the recreational marijuana use statute reiterates that **employers in Ohio are not required to permit marijuana use, possession, or distribution on the job**. The proposed statute specifically provides employers with the ability to maintain a drug-free workplace and echoes much of the language for workplace considerations codified in the medical marijuana use statute.

Intent of the statute

Chapter 3780 permits and regulates the recreational sale and use of cannabis in Ohio to adults. The statute states this controlled and regulated approach achieves a number of goals, including: (1) reducing illegal sales of marijuana, to promote safer use; (2) limiting out-of-state cannabis being brought into the state; (3) providing funding through taxation to support social equity, job creation, research, and proper regulation of the cannabis industry; and (4) addressing past and present effects of discrimination and economic disadvantage of individuals within Ohio.

Ultimately, the statute expands the rights of Ohio adults to use marijuana recreationally.

Summary of the statute

The statute legalizes the “cultivation, processing, sale, purchase, possession, home grow, and use of cannabis by adults at least twenty-one years of age.” The “Division of Cannabis Control,” a state agency tasked with regulating such activities and enforcing regulations implemented because of such activities, will be established. Additionally, R.C. § 3780 establishes an additional 10%

sales tax on all cannabis dispensaries, collected to be used to support the “cannabis social equity and jobs fund,” the “host community cannabis facilities fund,” and the substance abuse and addiction fund.

What are the parameters for recreational use and possession?

While Ohio adults—twenty-one and older without a disqualifying offense—are permitted to possess and use marijuana, use is not without limitation. A person is only permitted to possess, transfer, or purchase 2.5 ounces of cannabis in any form, and 15 grams of cannabis extract (a separated or concentrated cannabis product). Any possession, transfer, or sale in excess of that threshold is still illegal under Ohio law.

The statute also permits adults to grow marijuana at home, so long as they do not have more than six plants (twelve if two or more eligible adults live at the same residence), and the plants are secured and hidden from public view.

Employment considerations

Importantly, the statute contains specific rights and exceptions for employers similar to the 2016 medical marijuana law. R.C. § 3780.35 is captioned “Rights of Employer,” and outlines protections for employers. This subsection specifically states, “[n]othing in this chapter . . . [r]equires an employer to permit or accommodate and employee’s use, possession or distribution of . . . cannabis.”

R.C. § 3780.35 confirms that this statute does not prevent an employer from refusing to hire, discharging, disciplining, or taking any other adverse employment action because of the individual’s use, possession, or sale of marijuana. It further expressly confirms the statute does not permit an individual to commence any cause of action against an employer for taking such measures because of that individual’s cannabis use.

As stated in R.C. § 3780.35, the statute similarly does not prohibit “an employer from establishing and enforcing a drug testing policy, drug-free workplace policy, or zero-tolerance drug policy.” The statute further provides that discharge from employment because of the use of cannabis is considered a discharge for cause for unemployment purposes if that individual’s use was in violation of the employer’s drug-free policies.

Even though an employee may be able to use marijuana while not at work, intoxication at any level at work is not permitted because employers can, and should, ensure their workplaces remain safe and drug-free. It is also important to note that, similar to enacting a tobacco free workplace, a drug free or zero-tolerance policy can still address all consumption of marijuana, including when consumed on an employee’s own time or off-duty. Nothing in any Ohio marijuana use laws changes any federal law including any federal employment laws regarding marijuana use whether recreationally or medically.

Conclusion

Thanks to the Ohio Manufacturers' Association's prior advocacy, Ohio law contains strong protections for employers under the state's medical marijuana program. The petitioners that supported recreational marijuana largely copied from the existing law in Ohio's medical marijuana statutes, preserving employer's rights to maintain drug free or zero-tolerance workplace policies, drug testing protocols, and to terminate employees for cause for violations of those policies. Therefore, despite Issue 2 permitting adult use of recreational marijuana, Ohio's employers maintain their rights and marijuana remains illegal under federal law. Manufacturers should update or enact workplace drug policies to account for the change in law and ensure safe workplaces.

Chairman of the Board
JEFFREY J. ORAVITZ
*CEO, Seal for Life Industries and
Arsenal Capital Partners*

President
RYAN AUGSBURGER



November 19, 2024

The Honorable Shane Wilkin
Chairman
Senate General Government Committee
Ohio Statehouse
1 Capitol Square
Columbus, OH 43215

RE: Senate Bill 326 – Written Proponent Testimony

Dear Chairman Wilkin and Members of the Senate General Government Committee:

The Ohio Manufacturers' Association (OMA) strongly supports Senate Bill 326, which prohibits the sale of intoxicating hemp products in Ohio. This legislation addresses critical concerns for the manufacturing sector, including workplace safety, regulatory clarity, and fair enforcement.

The OMA represents over 1,300 manufacturers, employing hundreds of thousands of Ohioans. Our members are committed to fostering safe, productive, and well-regulated workplaces. SB 326 will help protect Ohio workers, clarify legal obligations, and reinforce the state's reputation as a leader in safe and innovative manufacturing.

Unregulated intoxicating hemp products, such as those containing delta-8 THC, undermine workplace safety and complicate employers' ability to maintain drug-free policies. The bill's clear definitions and prohibition of products with intoxicating THC levels will resolve regulatory ambiguities, providing manufacturers with the certainty needed to enforce compliance and protect workers. Furthermore, the bill's enforcement mechanisms and penalties ensure accountability and deter bad actors from exploiting legal loopholes.

The OMA appreciates the leadership of the bill sponsor on this issue and urges the committee to support this important piece of legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Lee'. The signature is fluid and cursive, written over a white background.

James Lee
Managing Director, Public Policy Services
Ohio Manufacturers' Association
jlee@ohiomfg.com



**BEFORE THE GENERAL GOVERNMENT COMMITTEE
THE OHIO SENATE
SENATOR MICHAEL A. RULLI, CHAIR**

**HOUSE BILL 86 – THE ADULT USE OF MARIJUANA
TESTIMONY OF BILL CREEDON
THE OHIO MANUFACTURERS' ASSOCIATION**

DECEMBER 5, 2023

Chair Rulli, Vice-Chair Schuring, Ranking Member DeMora, and members of the Senate General Committee, thank you for the opportunity to provide testimony regarding possible changes to the regulatory structure for the adult use of marijuana recently adopted by Ohio voters.

My name is Bill Creedon. I am an attorney with the law firm of Bricker Graydon, representing The Ohio Manufacturers' Association (OMA). Created in 1910 to advocate for Ohio's manufacturers, the OMA today has approximately 1,300 members statewide. Its mission is to protect and grow Ohio manufacturing.

As you may know, manufacturing is the largest of the state's 20 major industry sectors. As of Q3 2022, manufacturing contributed more than \$130 billion annually to Ohio's economy, accounting for nearly one-fifth of Ohio's private industry GDP.

Ohio voters spoke clearly to approve the adult use of marijuana. Respecting that outcome, OMA calls upon the General Assembly to enact modest changes to the language of the initiated statute to alleviate concerns OMA, and others in the business community, voiced during the Issue 2 campaign about workplace safety, employer protections, and private property rights. The General Assembly can both respect the will of the voters and establish a sensible legal framework.

Preserve Employer Protections

Employers have an affirmative duty to maintain a safe and healthy work environment. OMA has championed policies to improve workplace safety and protect the well-being of employees across Ohio. This includes the employer rights provisions in Ohio Revised Code Section 3796.28, enacted in 2016 (S.B. 253) as part of Ohio's medical marijuana program. Those provisions were thoroughly vetted and serve as a model framework, encompassing strong protections for employers, sufficiently providing businesses with the right to enact workplace policies deemed suitable for that employer. Importantly, ORC 3796.28 ensures that Ohio employers are not required to permit an employee's use, possession, or distribution of marijuana. Put another way, an employer can choose the

workplace policy that works best for their business. That includes having no policy, maintaining a drug-free workplace, or even having a zero-tolerance policy, meaning a policy forbidding their employees from using, possessing or distributing marijuana at any time or place.

Issue 2 largely copied ORC 3796.28. Therefore, we urge the General Assembly to maintain the established employer protections in ORC section 3796.28 for all types of marijuana. That includes applying ORC 3796.28(C), which was adopted in the budget during the 134th General Assembly, and specifies that employers do not violate any anti-discrimination laws when they enforce their drug free workplace policies.

The proposed language ensures that the employer protections proposed for the adult use of marijuana are fully aligned with the employer protections established in ORC 3796.28. We are aware of other proposals seeking to add additional language to those provisions. While well intended, we strongly discourage the addition of unnecessary or duplicative language that could lead to unintended and unpredictable legal consequences.

Private Property Rights:

The Issue 2 statute lacks clarity on private property owners' authority to regulate the adult use of marijuana beyond existing smoking bans, raising concerns about its implications for property rights. Ambiguities surrounding public spaces and accommodation of the adult use of marijuana within the statute need clarification to grant private property owners' discretion. We would respectfully ask that whatever legislation is adopted, the rights of property owners with respect to the adult use of marijuana on their property are completely clear.

Tax Distribution:

The allocation of tax revenue authorized by Issue 2 is limited and fails to encompass critical areas such as law enforcement and broader community services. It is the legislature's prerogative to make appropriations prioritizing these critical government functions.

In conclusion, Ohio is enjoying a surge of new development thanks to the state's favorable business climate, and we urge the Ohio General Assembly to prioritize preserving these essential employer protections to maintain Ohio's economic momentum while addressing Issue 2's electoral outcome. The retention of these safeguards is imperative to uphold workplace safety standards, protect employee well-being, and enable employers to maintain productive and secure work environments.



December 12, 2023

The Honorable Mike DeWine
Governor, State of Ohio
77 N. High Street - 30th Floor
Columbus, Ohio 43215

The Honorable Matt Huffman
President, Ohio Senate
Ohio Statehouse
1 Capitol Square - 2nd Floor
Columbus, Ohio 43215

The Honorable Jason Stephens
Speaker, Ohio House of Representatives
77 S. High Street – 14th Floor
Columbus, Ohio 43215

Re: Ohio Business Community Urges Passage of Legislative Guardrails for Marijuana

Dear Governor DeWine, President Huffman, and Speaker Stephens,

On behalf of the undersigned statewide business organizations and our collective memberships, we write to you following the passage of State Issue 2 on November 7th. Ohio voters have voiced their support for the legalization of recreational marijuana, and it is now up to you to thoughtfully deliberate and enact the proper guidelines for this new legalized substance. While we acknowledge and respect this outcome, it does not alleviate our apprehensions related to workplace safety and employer protections, private property rights, and legislative appropriation authority of general revenue funds. Additionally, this decision further complicates the ongoing workforce challenges linked to filling existing and future job openings, potentially aggravating Ohio's economic difficulties and societal issues. We also continue to have concerns related to worker absenteeism and increased insurance costs. We sincerely appreciate your leadership as we navigate these issues following this important vote.

Preserve Employer Protections

Our organizations have championed policies to improve workplace safety and the well-being of employees across Ohio. The existing provisions within the initiated statute, particularly those aligning with the Ohio medical marijuana law to safeguard employer rights, play an integral role in maintaining safe working environments. These provisions were previously vetted through the legislative process during deliberations on the 2016 medical marijuana bill (SB 523). The bill was drafted in collaboration with our associations, the business community at large, and Ohio policy makers to ensure that employers in Ohio are not required to permit marijuana use, possession, or distribution on the job.

We would respectfully ask the legislature to adopt a provision currently found in Ohio's medical marijuana employer protection law that was not included in State Issue 2. This provision – ORC 3796.28(C), which was adopted in the budget during the 134th General Assembly – specifies employers do not violate any anti-discrimination laws when enforcing drug free workplace policies. As such, we propose adding this provision from Ohio's medical marijuana statutes to Ohio's new recreational marijuana laws.

Private Property Rights

The Issue 2 statute lacks clarity on private property owners' authority to regulate marijuana use and possession on their premises beyond existing smoking bans, raising concerns about its implications for property rights. Ambiguities surrounding public spaces and accommodation of cannabis use within the statute need clarification to grant private property owners' discretion. We would respectfully ask that whatever decision is made, it is completely clear to property owners what rights they have with respect to the use and possession of marijuana on their property.

Uniformity of Regulations

Providing businesses and communities with certainty as to how recreational marijuana and marijuana products and dispensaries will be regulated is crucial. Proponents of Issue 2 stressed that recreational marijuana should be regulated like alcohol. The State exclusively regulates alcohol through a uniform, comprehensive regulatory system. Similarly, the Issue 2 enabling legislation should expressly preempt political subdivisions' home rule as to the regulation, taxes, quality control, licensing, and enforcement concerning recreational marijuana and marijuana products. Ohio cannot afford a patchwork set of localized ordinances that go beyond, conflict, or attempt circumvent State law and marijuana regulatory system the State is creating.

Tax Distribution

The directed allocation of tax revenue in Issue 2 is limited and fails to encompass critical areas such as law enforcement and broader community services. It should be the legislature's prerogative to make appropriations they deem necessary to address public safety concerns and ensure the most extensive public benefit from these new income streams. The General Assembly as a body should have the sole discretion over its appropriation authority to allocate tax revenues to support essential services like law enforcement, community well-being, and public safety initiatives.

Ohio's business climate has seen a surge of new development, and we urge the Ohio General Assembly to prioritize preserving these essential employer protections to maintain Ohio's economic momentum while addressing this electoral outcome. The retention of these safeguards is imperative to uphold workplace safety standards, protect employee well-being, and enable employers to maintain productive and secure work environments.

Passage of Issue 2 represents a complex change to our existing laws related to drug policy and it will take all parties' participation to ensure the best statewide regulatory framework is established. Please know that our organizations and our members stand ready to assist your efforts to honor the vote of the people while administering this new program in the most socially and economically responsible manner that best protects our workplaces and communities.

Respectfully,

Ohio Business Roundtable

Ohio Farm Bureau

The Ohio Council of Retail Merchants

Ohio Chamber of Commerce

The Ohio Manufacturers' Association

Dear Industrial Commission Rules Advisory Task Force Members,

On behalf of the employer community and its partners, the undersigned organizations express their strong support for the outcome in *Dillon* and encourage the Industrial Commission to implement an updated rule completely aligned with the Ohio Supreme Court's decision. This issue is of great importance to employers, and we strongly believe the Industrial Commission should formulate guidance for its hearing officers and institute rules based upon the law. *Dillon* unequivocally requires TTD compensation to be terminated as of the date MMI has been reached, which necessitates the need to revise Adjudications Memo D2 to reflect this requirement. While some are encouraging the Industrial Commission to limit, amend, or even disregard *Dillon* based upon erroneous objections, we contend any outcome other than complete adoption of *Dillon*'s central holding into the Industrial Commission's rules is contrary to law.

The employer community supports *Dillon*, first and foremost, because it was correctly decided. The Court's decision in *Dillon* is entirely consistent with the relevant statutory language and should serve as the basis of the Industrial Commission's revised rule¹. Ohio Revised Code 4123.56(A) plainly states TTD compensation "payments shall continue pending the determination of the matter, however payment **shall not be made** for the period when any employee... has reached maximum medical improvement." (emphasis added). The unambiguous language of ORC 4123.56(A) precludes eligibility for TTD compensation once MMI has been reached. As defined by Ohio Administrative Code 4121-3-32(A)(1), MMI is a treatment plateau at which no additional fundamental functional change of the injury is to be expected. OAC 4121-3-32 does not contemplate the date of administrative hearing as a factor in determining when MMI has been reached, and neither should the Industrial Commission.

Moreover, OAC 4121-3-32 authorizes hearing officers to declare an overpayment of TTD compensation when he or she "determines that the injured worker was not justified in receiving temporary total disability compensation prior to the date of hearing." Concern has been expressed that *Dillon* creates a new rule allowing retroactive termination of TTD compensation, but this is already permitted under OAC 4121-3-32. It was the now overruled *Russell* decision, not the statute or rules, which required TTD compensation to continue until the date of hearing. Again, the *Dillon* decision aligns the case law with the statutory and regulatory framework and any policy that seeks to deviate from that framework requires a legislative enactment.

The central holdings of *Dillon* – affirming an injured worker is precluded from receipt of TTD compensation once the evidence demonstrates MMI has been achieved and the overruling of *Russell* – are fair, reasonable, and easy to implement. When a hearing officer makes a finding that MMI has been reached, he or she must cite to the evidence supporting this conclusion. The evidence relied upon opines MMI was reached as of the date of the medical examination, not the date of hearing. It is fair and reasonable that the date of the medical evidence relied upon is the proper date for MMI, after which the injured worker is not entitled to TTD compensation. Failing

¹ Curiously, Adjudications Memo D2 as presently instituted does not cite ORC 4123.56 at all, but rather only cites *Russell*.

to provide clear guidance, and thereby allowing hearing officers to ignore *Dillon* and find MMI as of the date of hearing, is untenable. Further, attempts to craft new policy with rebuttable presumptions, or any other modification to the statutory language, is contrary to the law and requires a legislative solution.

Two primary objections relating to *Dillon* have been raised to the members of the Rules Advisory Task Force in an attempt to limit the obvious and necessary revisions required to Adjudications Memo D2. First, it is claimed that finding MMI prior to the date of hearing will create complicated issues surrounding overpayments. Second, retroactive termination of TTD compensation is a violation of due process. Therefore, it is argued, the Industrial Commission should continue the *Russell* policy despite *Russell* being overruled.

While it is correct that a finding of MMI prior to the hearing date will create an overpayment, this issue does not need to be addressed in Memo D2. In fact, the current version of Memo D2 does not speak to overpayments. The potential for disputes over the applicability of ORC 4123.511(K) cannot stand in the way of updating Memo D2.

As to the argument that adoption of *Dillon* violates an injured worker's due process rights, in actuality, what *Dillon* does is restore the due process rights of employers that have been circumvented for the past 25 years. Until *Dillon*, employers had paid unknown amounts of TTD compensation to injured workers between the date of an IME that found the injured worker to be at MMI and the date the Industrial Commission set a hearing on a motion to terminate TTD compensation. This compensation was paid without any opportunity for the employers to dispute the injured worker's entitlement to receive it, despite having evidence to the contrary. All *Dillon* changes is that it now provides both parties – injured workers and employers – the opportunity to exercise their due process rights regarding the injured worker's eligibility for TTD compensation between the date of the IME and the date of hearing.

Enclosed with this letter is a jointly submitted proposed update to Adjudications Memo D2. The employer community strongly feels it is necessary to have a clear policy, grounded in the law, which provides clarity to all parties regarding this issue. To this end, the undersigned organizations have agreed upon the following revision to Adjudications Memo D2:

When terminating ongoing temporary total disability compensation due to a finding of maximum medical improvement, temporary total disability compensation shall be paid through the date of the hearing. Where the hearing officer finds that maximum medical improvement has been reached, temporary total disability compensation shall be terminated as of the date of the medical evidence upon which the determination is made.

NOTE: ORC 4123.56; State ex rel. Dillon v. Industrial Comm., Slip Op., 2024-Ohio-744, overruling State ex rel. Russell v. Industrial Comm., 82 Ohio St. 3d 516, 696 N.E.2d 1069 (1998).

Thank you for the opportunity to provide suggestions and feedback while the Industrial Commission considers this important rule revision.

Respectfully submitted,



Ohio Self-Insurers Association



Ohio Council of Retail Merchants



National Federation of Independent Businesses



The Ohio Manufacturers' Association



Ohio Business Roundtable



Ohio Farm Bureau

November 13, 2024

Top 4 Predictions About What OSHA and MSHA Workplace Safety Professionals Can Expect From the New Trump Administration

Todd Logsdon, Robin Repass, Kristin White, Arthur Wolfson

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Our firm's Workplace Safety Practice Group has provided some general perspectives on [what employers can expect under the next Trump administration](#) – but it's time for a deeper dive that OSHA and MSHA safety professionals will appreciate. Everyone knows that President Trump and his new leadership will reverse course from the Biden administration to scale back federal regulatory oversight on workplace safety issues. What exactly can we expect? We teamed up with our Government Relations insiders to develop an Insight with our top four predictions covering what you'll see from workplace safety agencies in 2025 and beyond.

1. Proposed Heat Standard Will Melt Away

We expect that the [proposed heat safety rule](#), originally projected to become final in early 2025, will be scaled back dramatically, delayed, or scrapped altogether. The Trump administration has several potential opti

Team Up With Federal Lawmakers to Qu

[The Congressional Review Act \(CRA\)](#) offers a qu consent of Congress, to undo certain regulatory administration. Using the procedures outlined i resolution of disapproval to repeal a final rule. I

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agency is also prohibited from issuing a substantially similar rule in the future – unless, of course, Congress reverses course and later gives authorization.

We know the U.S. Senate will be under Republican control come January. Votes are still being tallied to determine whether Republicans will win a narrow majority in the House. If they do, the CRA presents an appealing mechanism for the incoming administration right away.

Request Agency to Halt Progress

Recent incoming presidential administrations have issued memoranda to federal agencies asking them to halt progress on regulations that were underway during the prior administration so that the new administration can review them. This allows the new administration to decide which regulations to proceed with and which ones it no longer wishes to pursue.

If the heat rule has not already been finalized (which appears likely to be the case based on the timing discussed below), the incoming Trump administration may be able to use such a memorandum to prevent OSHA from issuing a final rule. It can then pursue a different approach more in line with the new administration's priorities.

So where does the heat standard stand as of today? The Notice of Proposed Rulemaking (NPRM), proposed rule, and request for public comments were all [published in the Federal Register](#) on August 30, and the comment period remains open through December 30. A number of industry groups have approached OSHA requesting to extend the public comment deadline through March 31, 2025, to provide sufficient time to analyze the impact of the new rule. Such an extension, if granted, would also provide interested employee and employer groups with the opportunity to provide input to the new administration to create a workable standard.

The effective date of the final rule will be 60 days after publication in the *Federal Register*, and employers will be required to implement the standard 150 days after the final rule is published.

Other Obligations Remain

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But just because the heat standard may never see the light of day doesn't mean employers can ignore heat-related obligations. First, OSHA's [National Emphasis Program for Outdoor and Indoor Heat-Related Hazards](#) remains in place until April 2025.

For many employers, OSHA state plans have created heat-related standards that they need to comply with. After all, states remain free to continue adopting and following their own heat regulations, even if the federal OSHA heat standard is scaled back or withdrawn. [State plans](#) are OSHA-approved workplace safety and health programs operated by individual states or U.S. territories. They are monitored by OSHA and must be at least as effective as OSHA in preventing work-related injuries, illnesses, and deaths.

The following states currently have, or are considering, their own heat standards:

- [California](#)
- [Colorado](#) (*Colorado is covered by federal OSHA, but has a state-level heat-related regulation applicable to agriculture*)
- [Maryland](#)
- [Minnesota](#)
- [Nevada](#) (*Nevada OSHA does not currently have its own heat regulation but is considering adopting one*)
- [Oregon](#)
- [Washington](#)

2. Walkaround Rule Will Face Significant

[OSHA issued a final rule earlier this year](#) on the allows third parties (including union officials) to and health officers (CSHOs) on an inspection of them to do so. The rule went into effect on May

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Employer industry groups have expressed significant concerns regarding the rule, particularly regarding the lack of clarity around how many representatives can join the inspection, and the lack of guidance to arm CSHOs in determining how to prioritize, approve, and manage employee requests. [As previously discussed](#), the rule has also generated controversy because it would allow workers to designate a union representative to accompany a CSHO during a facility walkaround – regardless of whether the representative is the company’s employee or the facility is a union shop. So what are the avenues of attack to expect against this rule?

Don’t Expect CRA Success

For a few reasons, you shouldn’t expect the same sort of CRA challenge against this rule, even if Republicans control both chambers of Congress. Rep. Mary Miller (R-IL) already mounted a [CRA challenge to the walkaround rule](#) in May, but lawmakers took no action on her Resolution (H.J. Res. 147) after it was referred to the House Committee on Education and Workforce.

The 60-day “lookback” period under the CRA will expire before the end of session for the 118th Congress. This means that a new CRA Resolution cannot be introduced for the walkaround rule during the incoming 119th Congress. And, like all legislation, the current Resolution will expire at *sine die*, when the current Congress adjourns for the last time.

Instead, Look to Court Challenges

Successful challenges to the walkaround rule are more likely to come through the court system.

A lawsuit pending in the United States District Court for the District of Columbia appears to present the more viable alternative to [that case](#), [business groups](#) argue that it exceeds with the National Labor Relations Act (NLRA) by representing employees in non-union workplaces.

Other legal arguments raised against the walkar

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- It violates the Fifth Amendment by effecting a “taking,” and Congress has not authorized OSHA to appropriate employers’ property.
- It violates the Regulatory Flexibility Act by not following the required regulatory flexibility analysis.
- It violates the Administrative Procedures Act (APA) by presenting an unsupported analysis claiming that the rule would impose little to no cost to employers, failing to address important considerations flagged in public comments (including how to protect confidential business information and determine the maximum number of employee representatives who may accompany CSHOs on inspections), and ignoring other alternative approaches.
- It’s less about workplace safety and more about allowing union organizers to gain access to nonunionized workplaces to advance their organizing campaigns.

Expect the Trump administration to weigh in on the validity of the walkaround rule even before the Texas court rules.

Possible Settlement to Resolve the Matter?

One additional option is that the incoming Trump administration could settle with the plaintiffs in the pending Texas lawsuit, and agree that abandoning the rule is the appropriate remedy under the APA. “*Vactur*” allows lower federal courts to vacate regulations that are deemed unlawful under §706(2) of the APA. If the court agreed, the walkaround rule would immediately become void.

Other Considerations for Employers

See our May 2024 insight on [“Frequently Asked OSHA’s New Final Rule on ‘Walkaround’ Inspection Impact OSHA State Plans and Other Topics.”](#) With promulgation date, states with OSHA-approved that are identical to or “at least as effective” as C demonstrate that their existing requirements are workers.

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3. Expect The Pendulum to Swing Again on OSHA's Electronic Recordkeeping Requirements

Employers have gotten used to the status of the OSHA electronic recordkeeping rule flip-flopping back and forth over the past decade.

- In 2016, the Obama-era OSHA issued the “Improve Tracking of Workplace Injuries and Illnesses” final rule, mandating companies with 250 or more employees to electronically submit injury and illness data from OSHA Forms 300, 300A, and 301.
- In 2019, a [Trump-era OSHA final rule rescinded that requirement](#).
- Things flipped once again [in July 2023](#) when Biden's OSHA again released a final rule requiring certain large employers to electronically submit OSHA injury forms, with the rule becoming effective in [January 2024](#). The updated rule required establishments with 100 or more employees in certain designated industries to electronically submit Forms 300 and 301 to OSHA each year.

So what can we expect in 2025? We expect that the new OSHA leadership will again revisit electronic submission requirements after the new administration takes office, and you can expect the pendulum to swing back as it did under the first Trump administration. The agency could once again put electronic submission requirements back on the shelf.

4. Slower Changes at the Mine Safety and Health Administration

We forecast the following for the Mine Safety and Health Administration (MSHA) under the Trump administration:

What Won't Change

- The **structure of MSHA enforcement** underground mines are required to be inspected once per year and all surface mines two times per year. We expect to see a change the mandatory enforcement scheme in the near future.

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- MSHA hired a number of new personnel during the Biden administration due to post-COVID retirements and other factors. Additionally, a number of employees were promoted to district and national leadership roles. These employees are not political appointees, so they will **remain in their current roles**. As a result, the vast majority of MSHA personnel that mine operators encounter on a day-to-day basis will not change.
- Commissioners [Mary Lu Jordan](#), [Timothy J. Baker](#), and [Moshe Z. Marvit](#) of the Federal Mine Safety and Health Review Commission, all of whom have strong union backgrounds, will **continue to fill out their terms**. While two industry-focused Commissioners could be appointed, the Commission will continue to have a union-centered majority for the foreseeable future.
- MSHA will **not repeal existing standards**. The Mine Act requires that no new standard diminish safety relative to an existing standard, so MSHA effectively lacks the power to eliminate or reduce the requirements of existing standards.

What Will Change

- **A change in approach on discretionary enforcement.** While mandatory inspections and other functions will not change, MSHA has numerous discretionary tools at its disposal. During the current administration, MSHA has “used every tool in the toolbox” with initiatives such as impact inspections and spot inspections focused on dust exposure. It is unlikely that these initiatives will continue under the Trump administration. We expect a pull-back on enforcement such as what we saw during the last Trump administration.
- **The recently promulgated Silica Rule**
MSHA attempt to issue revisions to certain attempt would undoubtedly be challenged revision to the Silica Rule would need to be

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Keep An Eye On

What cases will the Solicitor’s Office pursue at t
will they take? The future of big ticket items suc

framework for S&S, and the proper test under 105(c) may all be decided in appellate litigation. Will the Solicitor's Office representing MSHA under a new administration take the same positions as they have for the past four years – or will those positions change?

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WRITTEN BY:



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Robin Repass



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TO: OMA Government Affairs Committee
FROM: James Lee
SUBJECT: Tax & Finance Public Policy Report
DATE: November 21, 2024

Overview

Last year, significant tax policy changes were incorporated into the operating budget to drastically reduce the Commercial Activity Tax (CAT) base. A pair of companion bills in the House and Senate have since been proposed that would take even further steps to shrink Ohio's tax revenue base, including phasing out Ohio's income tax and repealing the remainder of the Commercial Activity Tax.

Property tax continues to be an item of discussion for the legislature through their Joint Committee on Property Tax Review and Reform. This committee was created under a provision included in the operating budget last year. It has been directed to review the history of Ohio's property tax system, including levies, exemptions, and local subdivision budgeting. The committee is required to submit a report to the General Assembly by Dec. 31, 2024 making recommendations on property tax law. The committee co-chairs agreed that any legislation introduced as a result of the committee's work would represent incremental changes to provide short-term relief rather than a comprehensive overhaul.

Prior to the legislature's summer recess, policymakers passed a \$6.2 billion spending package, making it the largest Capital Budget in state history. The package contained \$3.5 billion in new capital appropriations, \$700 million in one-time funding for a variety of local initiatives, \$150 million for community projects, and more than \$2 billion in reappropriations to continue previously authorized project spending. Among the OMA supported projects that received funding was the Butler County Advanced Manufacturing Hub, a collaboration between Miami University, Butler Tech, the Butler County Board of Commissioners, and the City of Hamilton.

State Revenues

As the governor's administration prepares to put together their next operating budget next year, missed Fiscal Year 24 revenue projections are expected to be factored into their allocations. Although state officials say the state is in a "solid" financial position despite state tax revenues coming in \$485 million less than expected in FY24, lawmakers and budget officials report that the next state budget will be "a little tighter."

Budget Director Kim Murnieks told the newspaper that she expects a return to a "normal budget" after the spending and revenue impacts of the COVID-19 pandemic have "run their course."

Tax & Finance Legislation

Flat Income Tax Rate

Under House Bill 1, Ohioans would pay nothing on the first \$26,050 they earn and 2.75% on everything above that amount. House Bill 1 would result in a significant cut in the amount of taxes the state takes in. To accommodate this reduction, the bill proposes eliminating approximately \$1.2 billion per year in payments to schools and local governments. This bill has not seen any movement since last spring.

Affordable Housing Tax Credit

Last General Assembly, the OMA testified in support of a bill that would leverage an existing federal housing tax credit, the Low Income Housing Tax Credit (LIHTC) program, and draw federal resources to help meet affordable housing needs. A similar bill has been introduced this General Assembly, House Bill 3, in another effort by the bill sponsors to enact the tax credit into law.

The OMA provided testimony in support of HB 3 to the House Economic and Workforce Development Committee earlier this General Assembly, although the bill has stalled since last year.

Other affordable housing initiatives have moved forward as the budget bill included \$100 million for affordable rental housing units and \$50 million for single-family homes.

Tax Credits for Hiring Veterans

A bipartisan proposal, House Bill 53, has been introduced in the House that would authorize refundable tax credits for hiring veterans, service members, and their spouses.

Limiting Late Fees for Municipal Income Tax Returns

The House passed House Bill 105, which would establish a one-time \$25 penalty for failure to timely file local income tax returns. Current law allows for a penalty of \$25 each month that a taxpayer fails to file a required return for up to \$150 for each return.

This bill has not seen any movement since it passed the House last year.

Bonus Depreciation

House Bill 116 proposes to allow taxpayers to deduct in a single year the full bonus depreciation and enhanced expensing allowances the taxpayer deducts for federal income tax purposes. This bill was included in the House's version of the operating budget, but was ultimately removed before being enacted into law. HB 116 has not moved since last year after being voted out of House Ways and Means Committee.

Simplifying Taxes for Remote Employees

The House unanimously passed House Bill 121, which would allow businesses employing remote workers to elect a streamlined method of apportioning their net-profits tax collected by municipalities, has passed unanimously out of House Ways and Means Committee. OMA testified in support of this legislation as it would reduce employers' administrative burdens and compliance costs. Income tax withholdings would not be affected under this legislation.

The Senate has not yet held any hearings on the bill.

Ohio Homeowners Relief Act

House Bill 187, along with its companion bill (Senate Bill 153), as introduced would have required the tax commissioner to work with local elected officials and weigh the past three years of sales data to determine a property's value as opposed to the most recent year's data.

Prior to the bill's passage in the House, the Ways and Means Committee added language to include CAUV (Current Agricultural Use Value) property to value farmland based on its agricultural use.

The Senate Ways & Means Committee significantly modified the bill in December prior to passing it. The committee revised the bill to remove the three-year averaging mandate and instead

expanded the homestead exemption to reduce property taxes for seniors. The homestead exemption language is a hybrid of several proposals currently pending in both chambers.

The House has not concurred to the Senate's changes. Instead, the legislature continues to evaluate the topic of property taxes through the new Joint Committee on Property Tax.

Prompt Pay

The House passed legislation last year, House Bill 203, that would allow the state to set terms in a private contract. Under this legislation, owners of private construction projects (including manufacturers that are building, improving, or maintaining facilities in Ohio), would be required to pay contractors within 30 days or face an 18% interest rate plus attorneys' fees.

The OMA was joined by the Ohio Hospital Association in testimony to oppose the bill last year. The Senate recently gave the bill a first hearing prior to the summer recess in June.

Diesel Tax Increase Suspension

Senate Bill 48 would suspend the additional diesel tax increase enacted as a part of the transportation budget in 2019. The provision increased the tax on diesel fuel by 19 cents per gallon. The bill sponsor noted his intention with this legislation is to bring this 19 cent increase to 10.5 cents per gallon to make the tax equal to that of gasoline as before the 2019 increase, gasoline and diesel were taxed at the same rate. This bill has only received a first hearing in Senate Transportation Committee so far.

Property Tax Requirement/Prohibitions

A bipartisan pair of senators have introduced a bill, Senate Bill 186, to require payment of property taxes and assessments when a lot is split and to prohibit tax-delinquent property owners from purchasing tax-foreclosed property.

The bill has been supported by county treasurers and was passed by the Senate in June.

Income Tax Phase Out

A pair of companion bills, House Bill 386 and Senate Bill 216, were introduced and referred to each chamber's Ways and Means Committee. These bills would phase out the state income tax on nonbusiness income over six years and repeal the Commercial Activity Tax after 2029. The two bills differ slightly in their approach to the timeline for the proposed tax cut. HB 386 would collapse the income tax into a single bracket of 1.17% in 2028 with a full phase out by 2030, while SB 216 would consolidate Ohio's two brackets into one at 2.7% in 2026 with a full phase-out by 2030.

The income tax, Ohio's second-largest revenue source, currently brings in nearly \$11 billion to the state and the Commercial Activity Tax accounts for over \$2 billion in revenue. HB 386 recently received a hearing in House Ways and Means Committee, where the sponsor fielded many questions about the gap of revenue the bill would create. Rep. Mathews responded that part of the solution to replace the revenue lost would be the right-sizing of government, and that Ohio could look to other states without an income tax and emulate their policies. However, a specific solution has not been clarified or inserted into the pending legislation.

Manufacturing Technologies Assistance Program

The OMA has been working with a pair of bill sponsors on legislation that would create the Ohio Manufacturing Technologies Assistance Program (MTAP), House Bill 435. This program would assist small to medium-sized manufacturers by providing grants of up to \$150,000 for investing

in modern smart technologies, machinery, equipment, and training. It is designed to enhance productivity, efficiency, and competitiveness in Ohio's manufacturing industry.

HB 435 received a hearing for proponent testimony in House Finance Committee in June. Several OMA members testified before the Ohio House Finance Committee to support the bill, including Ethan Karp from MAGNET, John Holeman from TOSOH SMD, and Dale Foerster from Starr Manufacturing

Child Care Tax Credits

Several bills were recently introduced to address tax credits for employers, parents and contributors to child care programs in an attempt to help alleviate the shortage of services and their costs. The employer measure, House Bill 576, would authorize a nonrefundable tax credit for an employer that provides certain child care benefits to its employees. This credit, which is proposed for up to \$500,000 of eligible expenses per year, can be claimed against the commercial activity tax, income tax, motor fuel supplier tax, domestic or foreign insurance company tax, public utility excise taxes, or financial institutions tax.

Senate Select Committee on Housing

The Senate created the Select Committee on Housing to explore what additional steps the state needs to take to encourage home ownership. Topics such as rentals, low-income housing tax credits, workforce housing, affordable housing, and zoning and property taxes are being discussed under the committee.

The Select Committee recently developed a report that includes 23 solutions for growing the supply and lowering the prices of housing. These recommendations includes encouraging the Department of Development to create an Ohio Housing Dashboard and Ohio Housing Toolkit, creating an Ohio Housing Capacity Building Grant Fund to provide incentives to communities to build responsible density and act as a resource to address housing challenges, and to consider expanding the Welcome Home Ohio Program to incorporate more eligible buyers and additional types of homes.

Several bills have been introduced that reflect additional ideas from the committee, including SB 246, which would rename the Department of Development as the Department of Housing & Development and SB 243, to declare the General Assembly's intent to enact legislation addressing local zoning regulations impeding housing development.

President Huffman has commented that the 23 recommendations would not occur in the near term as there are not many sessions remaining in this General Assembly and that some may need to be introduced over the next few years.

Meanwhile, a bipartisan pair of House representatives introduced their plan to eliminate the non-business credit for non-resident property owners and instead use those resources to help local governments grow the housing supply. House Bill 499 would create a new housing fund providing grants to local governments that choose to implement at least three of 12 pro-housing policies.

First All Ohio Future Fund Site Selected

In August, Governor Mike DeWine announced the first location for future economic development with support from the new All Ohio Future Fund.

The 1,000 acre site in Defiance County will be the location that receives more than \$14.6 million to install critical infrastructure at the Baltimore Avenue Industrial Corridor in Defiance, with the goal of attracting major corporations that are looking for project-ready property.

The All Ohio Future Fund, which was a key priority for the OMA in the state budget, was first announced at DeWine's 2023 State of the State Address and is designed to ensure that every region of the state prospers from Ohio's current economic revival.

Site Selection Ranks Ohio First for Infrastructure and Economic Development Investment

Site Selection Magazine ranked Ohio first of all states in its "Global Groundwork Index" based on an analysis of job creation, capital spending, and infrastructure development from 2020 through July 2024. Public officials say the state's private and public development teams generated more than 94,310 new job commitments and \$65.2 billion in capital investments based on JobsOhio data from 2020 through 2024.

Ohio Lawmakers Pass Largest Capital Budget in History

In June, state lawmakers passed a \$6.2 billion spending package in the final session before summer recess, the largest Capital Budget in state history.

The package contains \$3.5 billion in new capital appropriations, \$700 million in one-time funding for a variety of local initiatives, \$150 million for community projects, and more than \$2 billion in reappropriations to continue previously authorized project spending.

Among the OMA supported projects that received funding was the Butler County Advanced Manufacturing Hub, a collaboration between Miami University, Butler Tech, the Butler County Board of Commissioners, and the City of Hamilton.

Tax & Finance News

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Taxation Legislation

Prepared by: The Ohio Manufacturers' Association
Report created on November 20, 2024

- HB1** **PROPERTY, INCOME TAX CHANGES** (MATHEWS A) To modify the law regarding property taxation and income tax rates.
Current Status: 4/25/2023 - House Ways and Means, (Seventh Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-1>
- HB2** **STATE FUNDING-CAPITAL APPROPRIATIONS** (CUTRONA A, UPCHURCH T) To provide authorization and conditions for the operation of certain state programs, to make capital appropriations and reappropriations for the biennium ending June 30, 2026, to make other appropriations, and to declare an emergency.
Current Status: 6/28/2024 - **SIGNED BY GOVERNOR**; eff. immediately
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-2>
- HB3** **AFFORDABLE HOUSING TAX CREDIT** (PAVLIGA G, MCNALLY L) To authorize a nonrefundable tax credit for the construction or rehabilitation of certain federally subsidized rental housing and to authorize a uniform method for the tax valuation of most such housing.
Current Status: 6/13/2023 - **SUBSTITUTE BILL ACCEPTED**, House Economic and Workforce Development, (Fifth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-3>
- HB23** **TRANSPORTATION BUDGET** (EDWARDS J) To make appropriations for programs related to transportation for the biennium beginning July 1, 2023, and ending June 30, 2025, and to provide authorization and conditions for the operation of those programs.
Current Status: 3/31/2023 - **SIGNED BY GOVERNOR**; eff. 3/31/23
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-23>
- HB33** **FY24-25 OPERATING BUDGET** (EDWARDS J) To make operating appropriations for the biennium beginning July 1, 2023, and ending June 30, 2025, to levy taxes, and to provide authorization and conditions for the operation of state programs.
Current Status: 1/24/2024 - Consideration of Governor's Veto; Senate Overrides Veto, Vote 24-8
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-33>
- HB53** **VETERAN HIRING TAX CREDITS** (SCHMIDT J, MILLER A) To authorize refundable tax credits for hiring certain veterans, service members, and their spouses.
Current Status: 6/13/2023 - House Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-53>
- HB105** **MUNICIPAL INCOME TAX RETURNS EXTENSIONS** (THOMAS J) To modify the law regarding extensions for filing municipal income tax returns and to limit penalties for late filings.

Current Status: 5/31/2023 - Referred to Committee Senate Ways and Means

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-105>

HB116 TAXPAYER DEDUCTIONS (PETERSON B, CLAGGETT T) To allow taxpayers to deduct in a single year the full bonus depreciation and enhanced expensing allowances the taxpayer deducts for federal income tax purposes.

Current Status: 5/2/2023 - **REPORTED OUT**, House Ways and Means, (Fourth Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-116>

HB121 REMOTE WORKERS - MODIFIED MUNICIPAL INCOME TAX (ROBB BLASDEL M, MATHEWS A) To allow businesses with remote workers to use a modified municipal income tax apportionment formula.

Current Status: 6/21/2023 - Referred to Committee Senate Ways and Means

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-121>

HB125 TAX DEDUCTIONS - 529 PLANS (MATHEWS A, SANTUCCI N) To modify the income tax deductions for contributions to 529 plans and ABLE accounts.

Current Status: 6/6/2023 - **REPORTED OUT**, House Ways and Means, (Fourth Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-125>

HB187 PROCEDURES FOR PROPERTY TAX VALUES (HALL T, BIRD A) To make changes to the law governing real property valuation and tax complaints, to temporarily modify the computation of the homestead exemption, to abate property taxes on certain municipal and community improvement corporation property, to make an appropriation, and to declare an emergency.

Current Status: 12/6/2023 - **PASSED BY SENATE**; Vote 31-0, Emergency Clause 29-2

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-187>

HB189 SALES TAX EXEMPTION - FIREARMS (CUTRONA A) To exempt from the sales and use tax the sale of certain firearms and ammunition and to authorize refundable tax credits for small arms and ammunition manufacturing projects.

Current Status: 10/3/2023 - House Ways and Means, (Third Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-189>

HB200 PASS-THROUGH ENTITY TAXES (CALLENDER J, YOUNG T) To modify the income tax treatment of income subject to other states' pass-through entity taxes.

Current Status: 6/27/2023 - House Ways and Means, (Second Hearing)

State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-200>

- HB203** **TIMELY PAY OF CONTRACTORS** (ROEMER B, SWEENEY B) To require owners of private construction projects to timely pay contractors.
Current Status: 6/26/2024 - Senate Workforce and Higher Education, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-203>
- HB324** **TAX CREDIT FOR HIGH-ETHANOL BLEND MOTOR FUEL** (MCCLAIN R, KLOPFENSTEIN R) To temporarily authorize a nonrefundable tax credit for the retail sale of high-ethanol blend motor fuel.
Current Status: 6/25/2024 - Senate Ways and Means, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-324>
- HB344** **PROPERTY TAX LEVIES, COMPLAINTS** (MATHEWS A, HALL T) To eliminate the authority to levy replacement property tax levies and to modify the law governing certain property tax complaints.
Current Status: 4/30/2024 - **SUBSTITUTE BILL ACCEPTED & REPORTED OUT**, House Ways and Means, (Sixth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-344>
- HB386** **PHASE OUT STATE INCOME TAX** (MATHEWS A, LAMPTON B) To phase-out the state income tax on nonbusiness income over six years and to repeal the commercial activity tax after 2029.
Current Status: 5/14/2024 - House Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-386>
- HB402** **PROPERTY TAX REDUCTION** (SCHMIDT J) To authorize a property tax reduction in 2023 for properties with increased tax liability relative to 2022.
Current Status: 11/19/2024 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-402>
- HB406** **BLOCKCHAIN BASICS ACT** (DEMETRIOU S) To prohibit certain state and local government actions respecting digital asset mining, to exempt certain digital currency transactions from state and local income taxes, to prohibit local charges on digital assets, to require the state retirement systems to evaluate certain digital asset investments, and to name this act the Ohio Blockchain Basics Act.
Current Status: 5/21/2024 - House Financial Institutions, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-406>
- HB435** **MANUFACTURING TECHNOLOGIES GRANTS** (SANTUCCI N, DEMETRIOU S) To create the manufacturing technologies assistance grant program and make an appropriation.
Current Status: 6/18/2024 - **SUBSTITUTE BILL ACCEPTED**, House Finance, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-435>

- HB447** **EXPAND PROPERTY TAX HOMESTEAD EXEMPTIONS** (LOYCHIK M) To modify and expand property tax homestead exemptions, to gradually reduce school districts' 20-mill floor, and to modify the formula for determining farmland's current agricultural use value.
Current Status: 4/2/2024 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-447>
- HB496** **PROPERTY TAXES, COUNTY AUDITORS** (HOOPS J) To revise the law governing property taxes and county auditors.
Current Status: 11/20/2024 - Senate Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-496>
- HB499** **HOUSING GRANTS; REVISE PROPERTY LAW** (ISAACSOHN D, MATHEWS A) To create grant programs for housing developments near megaprojects and for townships and municipalities that adopt pro-housing policies, to modify the community reinvestment area law relating to residential property, and to limit the 10% nonbusiness property tax credit.
Current Status: 6/11/2024 - House Government Oversight, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-499>
- HB543** **TAX DELINQUENCY SALE REQUIREMENTS** (BLACKSHEAR W, WILLIS B) To require payment of property taxes and assessments when a lot is split or transferred and to generally prohibit tax-delinquent property owners from purchasing tax-foreclosed property.
Current Status: 5/21/2024 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-543>
- HB576** **TAX CREDITS FOR EMPLOYER-PROVIDED CHILD CARE EXPENDITURES** (WHITE A, ABRAMS C) To authorize nonrefundable tax credits for certain employer-provided child care expenditures.
Current Status: 6/11/2024 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-576>
- HB577** **TAX CREDIT FOR CHILD CARE EXPENSES** (WHITE A) To authorize a refundable income tax credit for certain child care expenses.
Current Status: 6/11/2024 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-577>
- HB578** **TAX CREDIT FOR CONTRIBUTIONS TO CHILD CARE PROGRAMS** (WHITE A) To authorize a nonrefundable income tax credit for contributions to certain child care programs.
Current Status: 6/11/2024 - House Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-578>

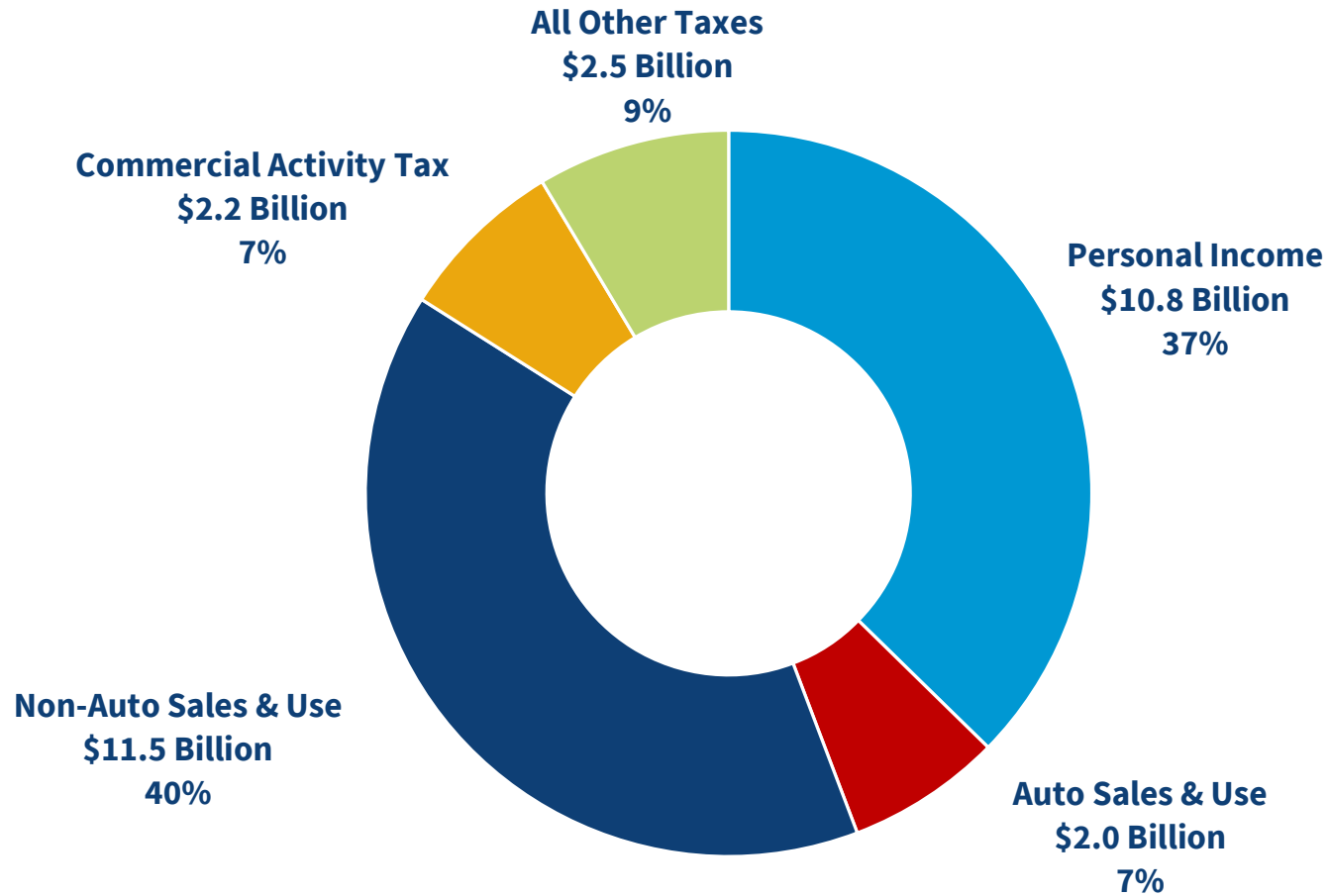
- HB645** **PROPERTY TAX REBATE** (ISAACSOHN D, HALL T) To authorize a refundable income tax credit or rebate for homeowners and renters whose property taxes or a portion of their rent exceed five per cent of their income.
Current Status: 11/12/2024 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-HB-645>
- SB3** **COMMUNITY REVITALIZATION PROGRAM** (SCHURING K) To create the Ohio Community Revitalization Program, authorizing nonrefundable income tax credits for undertaking community projects.
Current Status: 1/17/2023 - Referred to Committee Senate Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-3>
- SB4** **FILM, THEATER TAX CREDITS** (SCHURING K) To modify the film and theater tax credit and to authorize a tax credit for capital improvement projects relating to the film and theater industries.
Current Status: 5/24/2023 - Senate Ways and Means, (Third Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-4>
- SB10** **INTERNAL REVENUE CODE CHANGES** (BLESSING III L) To amend section 5701.11 of the Revised Code and to amend Sections 225.12, 265.10, 265.20, and 701.10 of H.B. 45 of the 134th General Assembly to expressly incorporate changes in the Internal Revenue Code since February 17, 2022, into Ohio law, to make changes to the Emergency Rental Assistance program, to revise an existing earmark, to modify the requirements for a temporary arts economic relief grant program, and to declare an emergency.
Current Status: 3/15/2023 - **SIGNED BY GOVERNOR**; eff. immediately
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-10>
- SB48** **TAX REDUCTION-MOTOR FUEL** (HUFFMAN S) To reduce the tax rate on certain motor fuel.
Current Status: 2/28/2023 - Senate Transportation, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-48>
- SB74** **ELECTRONIC TAX PAYMENTS, STATE TREASURER** (GAVARONE T) Regarding the Treasurer of State and the electronic payment of taxes.
Current Status: 6/7/2023 - Referred to Committee House State and Local Government
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-74>
- SB75** **JEDD FORMATION REQUIREMENTS** (BLESSING III L) To allow two or more municipalities to create a joint economic development district without involving a township.
Current Status: 4/16/2024 - House Economic and Workforce Development, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-75>

- SB82** **TAX-EXEMPT RETAILERS-EMPLOYMENT** (REYNOLDS M, INGRAM C) To allow certain tax-exempt retailers to retain a portion of state sales taxes to fund employment services.
Current Status: 3/29/2023 - Senate Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-82>
- SB124** **TAX CHANGES-FIREARMS, AMMUNITION** (SCHAFFER T) To exempt from the sales and use tax the sale of certain firearms and ammunition and to authorize nonrefundable tax credits for small arms and ammunition manufacturers.
Current Status: 10/3/2023 - Senate Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-124>
- SB153** **TEMPORARY TAX VALUATION CHANGES** (LANG G, JOHNSON T) To temporarily modify the method for valuing farmland and other real property for tax purposes.
Current Status: 10/11/2023 - Senate Ways and Means, (Fourth Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-153>
- SB186** **PROPERTY TAX REQUIREMENTS, PROHIBITIONS** (BLESSING III L, INGRAM C) To require payment of property taxes and assessments when a lot is split or transferred and to generally prohibit tax-delinquent property owners from purchasing tax-foreclosed property.
Current Status: 6/18/2024 - Referred to Committee House Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-186>
- SB216** **STATE INCOME TAX-PHASE OUT** (LANG G, HUFFMAN S) To phase-out the state income tax on nonbusiness income over six years and to repeal the commercial activity tax after 2029.
Current Status: 11/20/2024 - Senate Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-216>
- SB246** **RENAME DEPARTMENT TO HOUSING AND DEVELOPMENT** (REYNOLDS M, CRAIG H) To rename the Department of Development the Department of Housing and Development and to otherwise modify the law related to housing, and to amend the versions of sections 3742.32 and 5104.30 of the Revised Code that are scheduled to take effect January 1, 2025, to continue the changes after that date.
Current Status: 4/24/2024 - Referred to Committee Senate General Government
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-246>
- SB256** **MINIMUM WAGE-EITC** (BLESSING III L) To modify the state's earned income tax credit, to increase the basic state minimum hourly wage, and to declare an emergency.
Current Status: 5/22/2024 - Senate Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-256>

- SB271** **AUTHORIZE TAX CREDIT-HOUSING BASED ON INCOME** (BLESSING III L, CRAIG H) To authorize a refundable income tax credit or rebate for homeowners and renters whose property taxes or a portion of their rent exceed five per cent of their income.
Current Status: 6/25/2024 - Senate Ways and Means, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-271>
- SB273** **ESTABLISH CHILD CARE CRED PROGRAM** (REYNOLDS M) To establish the Child Care Cred Program and to make an appropriation.
Current Status: 11/13/2024 - Senate Workforce and Higher Education, (Second Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-273>
- SB276** **MODIFY TAX CREDITS-RURAL BUSINESS GROWTH PROGRAM** (CIRINO J, CHAVEZ B) To modify the availability of and eligibility for tax credits awarded under the rural business growth program.
Current Status: 6/25/2024 - Senate Ways and Means, (First Hearing)
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-276>
- SB283** **MODIFY FILM PRODUCTION TAX CREDIT** (SCHURING K) To modify the film and theater production tax credit and to repeal the film and theater capital improvement tax credit.
Current Status: 6/11/2024 - Referred to Committee Senate Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-283>
- SB291** **LOGISTICS BUSINESS TAX EXEMPTIONS** (WILKIN S, LANG G) To exempt from sales and use tax items purchased by a logistics business to transport manufactured products, general merchandise, and grocery products.
Current Status: 6/12/2024 - Referred to Committee Senate Ways and Means
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SB-291>
- SCR10** **CONDEMN CORPORATE TRANSPARENCY ACT** (LANG G) To condemn the Corporate Transparency Act and to ask that Congress repeal the Act on the grounds that it places burdensome and unreasonable requirements upon small businesses.
Current Status: 12/13/2023 - Referred to Committee Senate Small Business and Economic Opportunity
State Bill Page: <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA135-SCR-10>

Fiscal year 2023 Tax Revenues

\$28.9 Billion = \$994 million (3.6%) above estimates





March 19, 2024

Director Lydia Mihalik
Ohio Department of Development
77 S. High St., 29th Floor
Columbus, Ohio 43215

Dear Director Mihalik,

Representing approximately 1,300 manufacturers across Ohio, The Ohio Manufacturers' Association (OMA) has been dedicated to protecting and growing manufacturing for more than 100 years. Ohio's manufacturing industry is responsible for over \$133 billion of the state's Gross Domestic Product – greater than the contribution of any other Ohio private industry sector. Ohio's manufacturing competitiveness determines the state's economic growth, job creation, and business investment.

A robust economy requires a diverse population of workers with technical skills who can think critically and work collaboratively. Sustained growth in manufacturing productivity will require a new generation of tech-savvy, flexible workers. As the Ohio Innovation Hubs Program seeks to increase talent and build upon the state's existing legacy industries, the OMA writes in support of Butler County Advanced Manufacturing Hub's application for the Innovation Hub designation.

Butler Tech and Miami University are leading a unique effort to establish the Butler County Advanced Manufacturing Hub (the Hub). A collaboration among Miami University, Butler Tech, the Butler County Board of Commissioners, and the City of Hamilton, the Hub will support the county's leading industry and bolster the region's strong manufacturing base. The Hub will also serve the needs of the students, the manufacturers, and Ohio through education, workforce training, and industry research.

The Hub will connect faculty and students from both institutions with Ohio's manufacturing companies to solve real-world problems. Industry employers working with nationally recognized education institutions will provide students with hands-on training on modern and cutting-edge technologies that are driving Ohio's manufacturing industry. Students will be prepared to enter the workforce with the immediate opportunity for career growth while being exposed to the region's leading manufacturers. To date, over 20 manufacturing employers have agreed to have a presence at the facility. Through this applied and integrated process, the Hub will strengthen the manufacturing pipeline in Southwest Ohio.

The OMA supports the Hub's application to the Ohio Innovation Hubs Program to help train, educate, and build the workforce of tomorrow for Ohio's number one industry.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger".

Ryan Augsburger
President
The Ohio Manufacturers' Association



Ohio's Economic
Development Corporation

Ohio Tops Nation for Infrastructure and Economic Development Investment

State ranks #1 in Site Selection Magazine's Global Groundwork Index for second straight year

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Columbus, OH, Sept. 03, 2024 (GLOBE NEWSWIRE) -- Governor Mike DeWine, Lt. Governor Jon Husted, the Ohio Department of Development, and JobsOhio are proud to announce that for the second straight year, Ohio has been ranked Number One in the Global Groundwork Index by [Site Selection](#) magazine, based on a comprehensive analysis of job creation, capital expenditures, and strategic infrastructure development from 2020 through July 2024.

"Ohio continues to lead the nation in the Global Groundwork Index because our public sector infrastructure investments lay the groundwork for economic growth," said Ohio Governor Mike DeWine. "We're preparing large-scale sites for industrial development, expanding our skilled workforce, and fortifying our energy, telecom, transportation, and water infrastructure so that Ohio is always at the top of the list for businesses looking to start up or expand."

Ohio's top ranking, determined by the convergence of public infrastructure development and private-sector business expansion, underscores why Ohio has risen five slots to be a Top 7 state for Business in CNBC's 2024 rankings. When companies choose Ohio, they benefit from visionary public investments,

“In Ohio, we are proud of the fact that we produce the essential goods that people need to live and thrive, and we are committed to proving that ‘Made in Ohio’ is an important part of ‘Made in America,’” said Ohio Lt. Governor Jon Husted. “Team Ohio has deployed an aggressive strategy to improve infrastructure, including roads and bridges, broadband and 5G, water and sewer, brownfield and demolition funding, and other targeted investments to make sure that we are ready to support the growth of new and existing businesses.”

Site Selection's Global Groundwork Index (GGI) methodology is in its seventh year. GGI cumulative and per-capita calculations for corporate end-user facility investment projects were based on Conway Projects Database projects, project-affiliated job creation, and project-affiliated capital expenditure, Jan. 2020 through July 1, 2024. Cumulative and per-capita calculations for public infrastructure were based on project and funding data from the Bipartisan Infrastructure Law (BIL) Maps Dashboard. (Retrieved from <https://d2d.gsa.gov/report/bipartisan-infrastructure-law-bil-maps-dashboard>)

Working as a public/private economic development team, Ohio generated more than 94,310 new job commitments and \$65.2 billion in capital investments based on JobsOhio data from 2020 through 2024. Major metropolitan areas also showed stellar performance in Site Selection's top metropolitan ranking, with Columbus (No. 3) and Cincinnati (No. 4) securing Top 5 positions nationally.

"Ohio makes things, moves things and maintains the core necessities for any company looking to locate – suitable sites, superb talent, sustainable infrastructure, safe communities and a superior quality of life," said J.P. Nauseef, JobsOhio president and CEO. "Ohio has that balance, and it has tipped the scales in favor of high-profile investments from Abbott, Amgen, Ford, GM, the Honda-LG Energy Solution joint venture, Intel, Medpace, Sierra-Nevada, and many others.

Ohio's No. 1 Global Groundwork Index ranking," Mr. Nauseet added. "Yet, smaller companies are thriving here, too, as JobsOhio's private investments in innovation districts, data centers, broadband networks, airline service, small businesses and vibrant communities enhance Ohio's business climate and quality of life.

"We really do have it all in the heart of it all," Mr. Nauseef concluded.

For additional insights into Ohio's rise to the top and why businesses gravitate toward the Buckeye State, [visit the JobsOhio website](#).

About JobsOhio

JobsOhio, Ohio's private nonprofit economic development corporation, enhances company growth and personnel development through business attraction, retention, and expansion across ten competitive industry sectors. With a team of seasoned professionals, JobsOhio utilizes a comprehensive network to foster talent production in targeted industries and attract talent through [Find Your Ohio](#). Collaborating with seven regional partners, including [Dayton Development Coalition](#), [Lake to River Economic Development](#), [Ohio Southeast Economic Development](#), [One Columbus](#), [REDI Cincinnati](#), [Regional Growth Partnership](#), and [Team NEO](#), JobsOhio delivers world-class customer service to provide companies with a competitive advantage. Learn more at www.jobsohio.com. Follow us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

For more information, contact:

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