

OHIO

SENATE

JOURNAL

WEDNESDAY, DECEMBER 3, 2014

TWO HUNDRED FORTY-FIFTH DAY
Senate Chamber, Columbus, Ohio
Wednesday, December 3, 2014, 1:30 p.m.

The Senate met pursuant to adjournment.

Prayer was offered by Pastor Brian Hanson, Grace Baptist Church, Cedarville, Ohio, followed by the Pledge of Allegiance to the Flag.

The journal of the last legislative day was read and approved.

The following guests were recognized by the Senate prior to the commencement of business:

Senator Gardner recognized the Huron High School Girls Volleyball Team on winning the 2014 Division III Championship.

Senator Hughes requested a moment of silence for Specialist Joseph Riley.

**REPORTS OF REFERENCE AND BILLS FOR SECOND
CONSIDERATION**

Senator Jordan reports for the Standing Committee on Reference, recommending that the following bills and resolutions, standing in order for second consideration, be referred to committee as recommended:

S. J. R. No. 8-Senator Faber, et al.

Proposing to enact new Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 of Article XI and to repeal Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of Article XI of the Constitution of the State of Ohio to revise the redistricting process for General Assembly districts.

To the Committee on State Government Oversight and Reform.

YES - 9: KRIS JORDAN, SCOTT OELSLAGER, TOM PATTON,
RANDY GARDNER, MICHAEL J. SKINDELL, LOU
GENTILE, KEVIN BACON, LARRY OBHOF, CHRIS
WIDENER.

NO - 0.

The question being, "Shall the report of the committee be accepted?"

The report of the committee was accepted.

Said resolution was considered a second time and referred to committee as recommended.

REPORTS OF STANDING AND SELECT COMMITTEES

Senator Lehner submitted the following report:

The standing committee on Education, to which was referred **S. B. No. 266**-Senators Skindell, Lehner, et al., having had the same under consideration, reports it back and recommends its passage.

YES - 10: THOMAS SAWYER, NINA TURNER, ERIC H. KEARNEY, RANDY GARDNER, GAYLE MANNING, BILL BEAGLE, BILL COLEY, CLIFF HITE, TROY BALDERSON, PEGGY B. LEHNER.

NO - 0.

Senator Oelslager submitted the following report:

The standing committee on Finance, to which was referred **H. C. R. No. 54**-Representative Perales, et al., having had the same under consideration, reports it back and recommends its adoption.

Co-Sponsors: Coley, LaRose.

YES - 10: BILL COLEY, JIM HUGHES, SHANNON JONES, FRANK LAROSE, DAVE BURKE, SCOTT OELSLAGER, THOMAS SAWYER, RANDY GARDNER, BOB PETERSON, TOM PATTON.

NO - 2: MICHAEL J. SKINDELL, CHARLETA B. TAVARES.

Senator Peterson submitted the following report:

The standing committee on Ways and Means, to which was referred **Am. Sub. H. B. No. 5**-Representatives Grossman, Henne, et al., having had the same under consideration, reports back a substitute bill and recommends its passage.

YES - 7: LARRY OBHOF, JOHN EKLUND, BILL BEAGLE, TIMOTHY O. SCHAFFER, CHRIS WIDENER, BOB PETERSON, CLIFF HITE.

NO - 3: CHARLETA B. TAVARES, CAPRI S. CAFARO,

MICHAEL J. SKINDELL.

The question being, "Shall the reports of the committees be accepted?"

The reports of the committees were accepted.

Senator Faber submitted the following report:

The Standing Committee on Rules to which were referred the appointments by the Governor of:

Daniel Arendt, from Toledo, Lucas County, Ohio, as Member of the University of Toledo Board of Trustees for a term beginning September 4, 2014, ending at the close of business July 1, 2016.

Michael Budzik, Republican, from Logan, Hocking County, Ohio, as Member of the Hocking Technical College Board of Trustees for a term beginning September 2, 2014, ending at the close of business August 26, 2017.

Michael Fraizer, Republican, from Newark, Licking County, Ohio, as Member of the Dangerous and Restricted Animals Advisory Board for a term beginning September 29, 2014, ending at the close of business January 15, 2016, replacing Craig Butler, Resigned.

Randall Oostra, Republican, from Holland, Lucas County, Ohio, as Member of the Third Frontier Commission for a term beginning April 29, 2014, ending at the close of business March 14, 2017.

Stephen Perry, Sr., from Canton, Stark County, Ohio, as Member of the Kent State University Board of Trustees for a term beginning August 4, 2014, ending at the close of business May 16, 2023, replacing Jane Timken, Term Expired.

Diana Talmage, Republican, from Toledo, Lucas County, Ohio, as Member of the Owens State Community College Board of Trustees for a term beginning October 8, 2014, ending at the close of business September 21, 2020.

Gregory Tantari, from Lewis Center, Delaware County, Ohio, as a member of the Ohio Business Gateway Steering Committee for a term beginning July 16, 2014, and continuing at the pleasure of the Governor John R. Kasich.

David Williams, Independent, from Worthington, Franklin County, Ohio, as Member of the Third Frontier Commission for a term beginning April 23, 2014, ending at the close of business March 14, 2017.

Having had the same under consideration, reports back the recommendation that the Senate advise and consent to said appointments.

YES - 11: KEITH L. FABER, TOM PATTON, LARRY OBHOF,

SCOTT OELSLAGER, DAVE BURKE, BILL COLEY,
JIM HUGHES, EDNA BROWN, CHARLETA B.
TAVARES, JOSEPH SCHIAVONI, LOU GENTILE.

NO - 0.

The question being, "Shall the Senate advise and consent to the appointments by the Governor?"

The yeas and nays were taken and resulted - yeas 32, nays 0, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Cafaro	Coley	Eklund
Gardner	Gentile	Hite	Hughes
Jones	Jordan	Kearney	LaRose
Lehner	Manning	Obhof	Oelslager
Patton	Peterson	Sawyer	Schaffer
Schiavoni	Seitz	Skindell	Tavares
Turner	Uecker	Widener	Faber-32.

So the Senate advised and consented to said appointments.

BILLS FOR THIRD CONSIDERATION

Sub. H. B. No. 5-Representatives Grossman, Henne.

Cosponsors: Representatives Amstutz, Beck, Adams, J., Blair, Brenner, Buchy, DeVitis, Hagan, C., Hood, Maag, Retherford, Roegner, Ruhl, Scherer, Sears, Terhar, Thompson, Young, Speaker Batchelder.

To amend sections 128.46, 709.023, 715.013, 718.02, 718.03, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.02, 5703.059, 5703.57, 5717.011, 5717.03, 5726.03, 5736.04, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 5747.50, 5749.06, and 5751.07, to amend, for the purpose of adopting a new section number as indicated in parentheses, section 718.04 (718.50), to enact new sections 718.01, 718.011, 718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.012, 718.031, 718.052, 718.18, 718.19, 718.23 to 718.28, 718.30, 718.31, 718.35 to 718.39, 718.41, and 718.99, and to repeal sections 718.01, 718.011, 718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised Code to revise the laws governing income taxes imposed by municipal corporations, was considered the third time.

The question being, "Shall the bill, **Sub. H. B. No. 5**, pass?"

On the motion of Senator Widener, **Sub. H. B. No. 5** was informally passed and retained its place on the calendar.

Am. H. B. No. 45-Representative Johnson.

Cosponsors: Representatives Terhar, Retherford, Dovilla, Maag, Grossman, Ruhl, Rosenberger, Gonzales, Scherer, Landis, Derickson, Cera, Mallory, Buchy, Brenner, Pillich, Hackett, Strahorn, Damschroder, Celebrezze, Green, Adams, R., Anielski, Antonio, Barborak, Beck, Blair, Blessing, Boose, Boyce, Boyd, Brown, Budish, Burkley, Butler, Carney, Duffey, Fedor, Gerberry, Hagan, R., Hall, Hayes, Hill, Kunze, Letson, McClain, Milkovich, Patterson, Perales, Phillips, Ramos, Reece, Rogers, Romanchuk, Schuring, Sears, Sheehy, Slaby, Smith, Sprague, Stinziano, Thompson, Wachtmann, Young, Speaker Batchelder. Senators LaRose, Manning.

To enact section 4503.549 of the Revised Code to create "Military Sacrifice" license plates, was considered the third time.

The question being, "Shall the bill, **Am. H. B. No. 45**, pass?"

The yeas and nays were taken and resulted - yeas 32, nays 0, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Cafaro	Coley	Eklund
Gardner	Gentile	Hite	Hughes
Jones	Jordan	Kearney	LaRose
Lehner	Manning	Obhof	Oelslager
Patton	Peterson	Sawyer	Schaffer
Schiavoni	Seitz	Skindell	Tavares
Turner	Uecker	Widener	Faber-32.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Manning moved to amend the title as follows:

Add the names: "Brown, Burke, Cafaro, Coley, Eklund, Faber, Gardner, Gentile, Hite, Hughes, Jones, Jordan, Kearney, Lehner, Obhof, Oelslager, Patton, Peterson, Schaffer, Schiavoni, Skindell, Tavares, Turner, Uecker, Widener."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

Sub. H. B. No. 320-Representative Young.

Cosponsors: Representatives Amstutz, Becker, Boose, Brenner, Buchy, Burkley, Derickson, Hood, Roegner, Thompson, Antonio, Bishoff, Brown, Hagan, R., Hill, Johnson, Lynch, Maag, Wachtmann, Schuring, Sears, Smith, Sprague, Barnes, Adams, R., Anielski, Beck, Blair, Blessing, Celebrezze,

Conditt, Damschroder, DeVitis, Green, Grossman, Hackett, Hall, Henne, Letson, Mallory, McClain, Milkovich, Retherford, Romanchuk, Sheehy, Strahorn, Terhar.

To amend sections 2305.234, 3701.071, 3702.76, 3702.87, 4715.42, 4723.271, and 4731.295 and to enact sections 5.252, 3701.072, and 4723.26 of the Revised Code to require the Department of Health to maintain information on its web site regarding free clinics, to designate December as "Free Clinic Appreciation Month," to require that all free clinics be included in the state's loan repayment programs for physicians and dentists, to create a volunteer's certificate for retired nurses, and to extend for a specified period qualified immunity from civil liability for certain volunteer health care services provided in free clinics to individuals eligible for or receiving Medicaid, was considered the third time.

The question being, "Shall the bill, **Sub. H. B. No. 320**, pass?"

Senator Cafaro moved that she be excused from voting pursuant to Senate Rule No. 57.

The question being, "Shall the motion be agreed to?"

The motion was agreed to.

The question recurred, "Shall the bill, **Sub. H. B. No. 320**, pass?"

The yeas and nays were taken and resulted - yeas 28, nays 3, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Coley	Eklund	Gardner
Gentile	Hite	Hughes	Jones
Jordan	Kearney	LaRose	Lehner
Manning	Obhof	Oelslager	Patton
Peterson	Sawyer	Schaffer	Seitz
Tavares	Uecker	Widener	Faber-28.

Senators Schiavoni, Skindell, and Turner voted in the negative-3.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Eklund moved to amend the title as follows:

Add the names: "Coley, Eklund, Hughes, Oelslager, Seitz, Uecker, Widener."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

Sub. S. B. No. 232-Senator Uecker.

Cosponsors: Senators Patton, Lehner, Brown, Bacon.

To amend sections 4775.01, 4775.02, 4775.03, 4775.04, 4775.05, 4775.06, 4775.07, 4775.08, 4775.09, 4775.10, and 4775.11 of the Revised Code to extend the jurisdiction of the Motor Vehicle Repair Board to persons who perform motor vehicle mechanical repairs, to require motor vehicle repair facilities to register with the Board, and to make other changes to the Motor Vehicle Repair and Window Tint Operator Law, and to further amend section 4775.03 of the Revised Code on July 1, 2015, to dissolve the existing Motor Vehicle Repair Board and replace it with a new board of the same name, was considered the third time.

The question being, "Shall the bill, **Sub. S. B. No. 232**, pass?"

The yeas and nays were taken and resulted - yeas 31, nays 1, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Cafaro	Coley	Eklund
Gardner	Gentile	Hite	Hughes
Jones	Kearney	LaRose	Lehner
Manning	Obhof	Oelslager	Patton
Peterson	Sawyer	Schaffer	Schiavoni
Seitz	Skindell	Tavares	Turner
Uecker	Widener		Faber-31.

Senator Jordan voted in the negative-1.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Uecker moved to amend the title as follows:

Add the names: "Eklund, Skindell."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

S. B. No. 266-Senators Skindell, Lehner.

Cosponsors: Senators Brown, Sawyer, Tavares.

To amend sections 3314.03, 3326.11, and 3328.24 and to enact section 3319.46 of the Revised Code with respect to the use of seclusion and physical restraint on students and positive behavior intervention supports in public schools and to amend the version of section 3326.11 of the Revised Code that is scheduled to take effect July 1, 2014, to continue the provisions of this act on or after that effective date, was considered the third time.

The question being, "Shall the bill, **S. B. No. 266**, pass?"

The yeas and nays were taken and resulted - yeas 32, nays 0, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Cafaro	Coley	Eklund
Gardner	Gentile	Hite	Hughes
Jones	Jordan	Kearney	LaRose
Lehner	Manning	Obhof	Oelslager
Patton	Peterson	Sawyer	Schaffer
Schiavoni	Seitz	Skindell	Tavares
Turner	Uecker	Widener	Faber-32.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Skindell moved to amend the title as follows:

Add the names: "Bacon, Burke, Cafaro, Eklund, Gentile, Hite, Kearney, Manning, Schiavoni, Turner."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

S. B. No. 315-Senators Kearney, Hughes.

Cosponsors: Senators Cafaro, Gentile, Turner, Hite, Gardner, Brown, Tavares.

To enact section 5.2296 of the Revised Code to designate May as "Asthma Awareness Month" and to designate May 5 as "Childhood Asthma Awareness Day", was considered the third time.

The question being, "Shall the bill, **S. B. No. 315**, pass?"

The yeas and nays were taken and resulted - yeas 32, nays 0, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
Burke	Cafaro	Coley	Eklund
Gardner	Gentile	Hite	Hughes
Jones	Jordan	Kearney	LaRose
Lehner	Manning	Obhof	Oelslager
Patton	Peterson	Sawyer	Schaffer
Schiavoni	Seitz	Skindell	Tavares
Turner	Uecker	Widener	Faber-32.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Kearney moved to amend the title as follows:

Add the names: "Bacon, Balderson, Burke, Coley, Eklund, Faber, Jones, Lehner, Manning, Obhof, Oelslager, Patton, Peterson, Sawyer, Schaffer, Schiavoni, Skindell, Uecker, Widener."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

On the motion of Senator Widener, **Sub. H. B. No. 5**, having been informally passed, was taken up for consideration.

The question being, "Shall the bill, **Sub. H. B. No. 5**, pass?"

Senator Hughes moved that he be excused from voting pursuant to Senate Rule No. 57.

The question being, "Shall the motion be agreed to?"

The motion was agreed to.

The question recurred, "Shall the bill, **Sub. H. B. No. 5**, pass?"

Senator Cafaro moved to amend as follows:

In line 822, after "forward" insert "to the number of taxable years specified by ordinance or resolution of the municipal corporation. Such ordinance or resolution shall authorize net operating losses to be carried forward"

In line 823, after "than" insert "either one, three, or"

In line 824, delete ". but in" and insert ". In"; after "case" insert "shall a net operating loss be carried forward"

In line 5001, after "tax" insert "of"

In line 5003, after "for" insert "either one, three, or"

In line 5041, after "2018" insert ", as applicable,"; delete "the" and insert "all of the following:

(1) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, and 2014 if the municipal corporation allowed net operating loss to be carried forward for one year for losses incurred in 2011, 2012, and 2013;

(2) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, 2014, 2015, and 2016 if the municipal corporation allowed net operating loss to be carried forward for three years for losses incurred in 2011, 2012, and 2013;

(3) The"

In line 5042, delete everything after "in" and insert "2012, 2013, 2014, 2015, 2016, 2017, and 2018"

In line 5051, after "2018" insert ", as applicable,"; delete "the" and insert "all of the following":

(1) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, and 2014 if the municipal corporation allowed net operating loss to be carried forward for one year for losses incurred in 2011, 2012, and 2013;

(2) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, 2014, 2015, and 2016 if the municipal corporation allowed net operating loss to be carried forward for three years for losses incurred in 2011, 2012, and 2013;

(3) The"

In line 5052, delete "each of"

In line 5053, delete "those years" and insert "2012, 2013, 2014, 2015, 2016, 2017, and 2018"

In line 5055, delete ", as estimated by" and insert ". The revenue impact shall be estimated according to"

In line 5067, after "for" insert "one, three, or five"

The question being, "Shall the motion be agreed to?"

Senator Widener moved that the amendment be laid on the table.

The question being, "Shall the motion be agreed to?"

A roll call was requested which was properly supported.

The yeas and nays were taken and resulted - yeas 21, nays 10, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Burke
Coley	Eklund	Gardner	Hite
Jones	Jordan	LaRose	Manning
Obhof	Oelslager	Patton	Peterson
Schaffer	Seitz	Uecker	Widener
			Faber-21.

Those who voted in the negative were: Senators

Brown	Cafaro	Gentile	Kearney
Lehner	Sawyer	Schiavoni	Skindell
Tavares			Turner-10.

The amendment was laid on the table.

The question recurred, "Shall the bill, **Sub. H. B. No. 5**, pass?"

Senator Tavares moved to amend as follows:

In line 24, after "sections" insert "131.46,"

Between lines 269 and 270, insert:

" **Sec. 131.46.** (A) As used in this section,

(1) "Qualifying excess" means the excess, if any, of the municipal corporation's net municipal income tax revenue for 2015 over the municipal corporation's net municipal income tax revenue collected in the preceding calendar year.

(2) "Net municipal income tax revenue" means the excess, if any, of the amount of municipal income tax revenue collected over the amount of municipal income tax revenue refunded by a municipal corporation in a calendar year.

(3) "Base rate" means the rate of a municipal corporation's income tax for taxable years beginning in 2015.

(4) "Qualifying municipal corporation" means a municipal corporation to which each of the following apply:

(a) Its municipal income tax rate has not decreased below its base rate.

(b) It has not enacted, or amended in a manner that decreases or is projected to decrease income tax revenue that the municipal corporation would otherwise collect or be projected to collect from its income tax, any deduction, credit, exemption, or exclusion that is effective for taxable years beginning in 2015, except as required by H.B. 5 of the 130th general assembly.

(c) It has not adjusted, in a manner that decreases or is projected to decrease income tax revenue that the municipal corporation would otherwise collect or be projected to collect, the taxable basis for its income tax from the basis effective for taxable years beginning in 2015, except as required by H.B. 5 of the 130th general assembly.

(B) On or before the thirtieth day of September of each year from 2017 to 2027, the tax commissioner shall certify to the director of budget and management the net municipal income tax revenue for 2015 and for the preceding calendar year by each qualifying municipal corporation that filed a report with the tax commissioner under division (D) of section 5747.50 of the Revised Code.

(C) On or before the thirtieth day of October of each year from 2017 to 2027, the director of budget and management shall pay to the general fund of every qualifying municipal corporation with a qualifying excess an amount from the budget stabilization fund equal to the lesser of qualifying excess or five hundred thousand dollars. If a qualifying municipal corporation's qualifying excess does not exceed zero, then the director shall not pay any amount to that municipal corporation's general fund under this section for that or any following year.

(D) If a qualifying municipal corporation does not timely file the report required under division (D) of section 5747.50 of the Revised Code, the director shall not pay any amount to that municipal corporation's general fund under this section for that year. However, if the qualifying municipal corporation files that report on or before the thirty-first day of August of the next year, then the director shall pay the amount that the director would have otherwise paid to that municipal corporation's general fund if the report had been timely filed in accordance with division (C) of this section.

(E) Payments received by a municipal corporation under this section may be used for any lawful purpose."

In line 4833, after the comma insert " beginning August 31, 2015,"

In line 10 of the title, after "sections" insert "131.46,"

In line 16 of the title, after "corporations" insert "and to temporarily reimburse qualifying municipal corporations after 2015 for decreases in municipal income tax revenue from the Budget Stabilization Fund"

The question being, "Shall the motion be agreed to?"

Senator Obhof moved that the amendment be laid on the table.

The question being, "Shall the motion be agreed to?"

A roll call was requested which was properly supported.

The yeas and nays were taken and resulted - yeas 20, nays 11, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Burke
Coley	Eklund	Gardner	Hite
Jones	Jordan	Manning	Obhof
Oelslager	Patton	Peterson	Schaffer
Seitz	Uecker	Widener	Faber-20.

Those who voted in the negative were: Senators

Brown	Cafaro	Gentile	Kearney
LaRose	Lehner	Sawyer	Schiavoni
Skindell	Tavares		Turner-11.

The amendment was laid on the table.

The question recurred, "Shall the bill, **Sub. H. B. No. 5**, pass?"

Senator Skindell moved to amend as follows:

In line 321, delete " pensions" and insert " payments from pension plans"; delete " benefit payments" and insert " benefits"

In line 322, delete " payments from"

In line 324, after the first underlined comma insert " whether qualified or nonqualified for federal income tax purposes."

In line 327, after the underlined period insert " The amounts described in division (C)(3) of this section qualify as exempt income only to the extent such amounts are not included in qualifying wages."

Delete line 685

The question being, "Shall the motion be agreed to?"

Senator Widener moved that the amendment be laid on the table.

The question being, "Shall the motion be agreed to?"

A roll call was requested which was properly supported.

The yeas and nays were taken and resulted - yeas 22, nays 9, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Burke
Coley	Eklund	Gardner	Hite
Jones	Jordan	LaRose	Lehner
Manning	Obhof	Oelslager	Patton
Peterson	Schaffer	Seitz	Uecker
Widener			Faber-22.

Those who voted in the negative were: Senators

Brown	Cafaro	Gentile	Kearney
Sawyer	Schiavoni	Skindell	Tavares
			Turner-9.

The amendment was laid on the table.

The question recurred, "Shall the bill, **Sub. H. B. No. 5**, pass?"

Senator Cafaro moved to amend as follows:

Delete lines 536 through 551 and insert:

" (i) Except as limited by divisions (B)(1)(b)(ii) and (iii) of this section, any net operating loss incurred in a taxable year shall be allowed as a deduction against any net profit of the taxpayer generated in the same taxable year to the extent of that net profit.

(ii) If the net operating loss is apportioned under section 718.02 of the Revised Code to a municipal corporation that levies an income tax at a rate greater than the rate imposed by the municipal corporation of the taxpayer's residence, the portion of the net operating loss so apportioned that may be

deducted under division (B)(1)(b)(i) of this section shall be reduced in the same proportion that (I) the tax rate imposed by the municipal corporation to which the loss is apportioned minus the tax rate imposed by the municipal corporation of residence bears to (II) the tax rate imposed by the municipal corporation to which the loss is apportioned.

(iii) If the municipal corporation of the taxpayer's residence allows a credit for income taxes paid by a resident to any other municipal corporation, the amount that may be deducted under division (B)(1)(b)(i) of this section shall be reduced to the extent of any net profit apportioned to and taxable by another municipal corporation for the tax on which net profit the municipal corporation of residence allows such a credit. If such a credit is allowed for less than one hundred per cent of the tax paid to another municipal corporation, the amount of the reduction shall be multiplied by the credit percentage

(iv) For the purposes of division (B)(1)(b) of this section, a taxpayer's municipal corporation of residence is the municipal corporation where the taxpayer is domiciled."

In line 595, delete " pensions" and insert " payments from pension plans"; delete " benefit payments" and insert " benefits"

In line 595, delete " payments from"

In line 598, after the first underlined comma insert " whether qualified or nonqualified for federal income tax purposes."

In line 601, after the underlined period insert " The amounts described in division (C)(3) of this section qualify as exempt income only to the extent such amounts are not included in qualifying wages."

Delete line 976

In line 17, after "715.013," insert "718.011,"

In line 23, delete "718.011,"

In line 693, delete all after " (16)"

Delete lines 694 through 718

In line 719, delete all before the underlined period and insert " Compensation paid to a nonresident individual to the extent prohibited under section 718.011 of the Revised Code"

Delete lines 1195 through 1369 and insert:

"Sec. 718.011. ~~On and after January 1, 2001, a~~ (A) For the purposes of this section, an employee shall be considered to have spent a day performing services in a municipal corporation that levies an income tax only, if on that day, the employee spent more time performing services for or on behalf of the employer in that municipal corporation than in any other municipal corporation that levies an income tax. For the purposes of determining the amount of time an

employee spent in a particular location, any time that the employee spent in transit shall not be considered to have been spent in any municipal corporation.

(B) A municipal corporation shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the municipal corporation on twelve or fewer days in a calendar year unless one of the following applies:

(A) (1) The individual is an employee of another person; the principal place of business of the individual's employer is located in another municipal corporation in this state that imposes a tax applying to compensation paid to the individual for services performed on those days; and the individual is not liable to that other municipal corporation for tax on the compensation paid for such services.

(B) (2) The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such a promoter, all as may be reasonably defined by the municipal corporation."

In line 1498, reinsert "that is not taxable by the"

In line 1499, reinsert "municipal corporation under section 718.011"; delete " from which taxes are"

In line 1500, delete " not required to be withheld under section 718.011"

In line 1756, delete " for which withholding is"

In line 1757, delete " not required" and insert " that are not taxable by the municipal corporation"; after " or" insert " for which withholding is not required under"

In line 4984, after "715.013," insert "718.011,"

In line 4988, delete "718.011,"

In line 1 of the title, after "715.013," insert "718.011,"

In line 9 of the title, delete "718.011,"

In line 13 of the title, delete "718.011,"

In line 822, after " forward" insert " to the number of taxable years specified by ordinance or resolution of the municipal corporation. Such ordinance or resolution shall authorize net operating losses to be carried forward"

In line 823, after " than" insert " either one, three, or"

In line 824, delete " but in" and insert " .In"; after " case" insert " shall a net operating loss be carried forward"

In line 5001, after "tax" insert "of"

In line 5003, after "for" insert "either one, three, or"

In line 5041, after "2018" insert ", as applicable,"; delete "the" and insert "all of the following":

(1) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, and 2014 if the municipal corporation allowed net operating loss to be carried forward for one year for losses incurred in 2011, 2012, and 2013;

(2) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, 2014, 2015, and 2016 if the municipal corporation allowed net operating loss to be carried forward for three years for losses incurred in 2011, 2012, and 2013;

(3) The"

In line 5042, delete everything after "in" and insert "2012, 2013, 2014, 2015, 2016, 2017, and 2018"

In line 5051, after "2018" insert ", as applicable,"; delete "the" and insert "all of the following":

(1) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, and 2014 if the municipal corporation allowed net operating loss to be carried forward for one year for losses incurred in 2011, 2012, and 2013;

(2) The actual or projected municipal income tax revenue that would have resulted in 2012, 2013, 2014, 2015, and 2016 if the municipal corporation allowed net operating loss to be carried forward for three years for losses incurred in 2011, 2012, and 2013;

(3) The"

In line 5052, delete "each of"

In line 5053, delete "those years" and insert "2012, 2013, 2014, 2015, 2016, 2017, and 2018"

In line 5055, delete ", as estimated by" and insert ". The revenue impact shall be estimated according to"

In line 5067, after "for" insert "one, three, or five"

In line 24, delete "718.012,"

In line 893, delete " as determined under section 718.012 of the"

In line 894, delete " Revised Code"

Delete lines 1370 through 1465

In line 10 of the title, delete "718.012,"

Delete lines 1174 through 1190

In line 1191, delete " (UU)" and insert " (TT)"

In line 938, delete the first underlined comma and insert " and"; delete " , and (G)"

In line 1334, delete all after " (E)"

Delete lines 1335 through 1344

In line 1345, delete " (F)"

In line 1350, delete " (G)" and insert " (F)"

Delete lines 1543 through 1558 and insert " (2) A taxpayer may request to use an alternative apportionment method under this division by submitting a request to the tax administrator. The request shall be in writing.

A taxpayer may not use an alternative apportionment method on the taxpayer's tax return without the prior approval of the tax administrator. A taxpayer may not use an alternative apportionment method, an alternative method of accounting, or an alternative method of filing on a timely filed amended tax return without the prior approval of the tax administrator. If approved, an alternative apportionment method shall apply only to the taxable years included in the taxpayer's request unless the tax administrator provides otherwise in writing.

(3) Nothing in this section prohibits a taxpayer that requests the use of an alternative apportionment method in one or more taxable years from requesting the use of an alternative method in any subsequent taxable year. The approval or denial of a taxpayer's request to use an alternative method in one taxable year shall not limit the authority of the tax administrator to approve or deny requests from the same taxpayer with respect to subsequent taxable years."

In line 2089, after " with" insert " the Ohio Constitution."

In line 2090, after " chapter" insert " , or a charter adopted by the municipal corporation"

In line 2092, delete " all of"

In line 2099, delete " limitations specified in" and insert " Ohio Constitution."

Delete lines 2010 and 2011 and insert " , or the municipal charter."

In line 2107, delete all after " tax"

In line 2108, delete " provision of this chapter"

Delete lines 2151 through 2156

In line 2463, delete all after " (1)"

Delete lines 2464 through 2614 and insert " "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.

(2) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions.

(B) For taxable years beginning on or after January 1, 2015, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group is subject to the municipal income tax in that taxable year and if the affiliated group filed a consolidated federal income tax return with respect to that taxable year. A taxpayer that is a member of an affiliated group of corporations that filed a consolidated federal income tax return for a taxable year shall file a consolidated municipal income tax return for that taxable year if the tax administrator determines that filing a consolidated return is necessary for an equitable allocation of net profits to the municipal corporation. A taxpayer that is required to file a consolidated municipal income tax return for a taxable year shall file a consolidated municipal income tax return for all subsequent taxable years unless the taxpayer receives written permission from the tax administrator to file a separate return.

(C) A taxpayer shall prepare a consolidated municipal income tax return in the same manner as is required under the United States department of treasury regulations that prescribe procedures for the preparation of the consolidated federal income tax return required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

(D)(1) Except as otherwise provided in divisions (D)(2), (3), and (4) of this section, corporations that file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in section 718.01 of the Revised Code, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

(2) No corporation filing a consolidated municipal income tax return shall make any adjustment otherwise required under division (E) of section 718.01 of the Revised Code to the extent that the item of income or deduction otherwise subject to the adjustment has been eliminated or consolidated in the computation of consolidated federal taxable income.

(3) The affiliated group shall deduct from the group's consolidated federal taxable income any portion of the net profit of a pass-through entity that is included in the consolidated federal taxable income of the affiliated group.

(4) The affiliated group shall add back to the group's consolidated federal taxable income any amount of loss incurred by a pass-through entity that is included in the consolidated federal taxable income of affiliated group.

(E) Corporations filing a consolidated municipal income tax return shall make the computations required under section 718.02 of the Revised Code by

substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.

(F) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.

(G) Once a taxpayer has filed a consolidated municipal income tax return for any taxable year, the taxpayer shall continue to file consolidated municipal income tax returns in each subsequent taxable year unless the taxpayer receives written permission from the tax administrator to file a separate return for a taxable year.

(H) Corporations that made an election with a municipal corporation before January 1, 2015, to file a consolidated tax return with such municipal corporation in a manner similar to that provided in division (B) of this section shall continue to file consolidated tax returns in such manner unless the corporations obtain permission from the tax administrator to discontinue such filing."

In line 4999, delete "Net Operating Loss Review" and insert "Reform Study"; delete "for the purpose of"

Delete lines 5000 through 5002

In line 5003, delete "operating losses for five years" and insert "to evaluate and quantify the potential fiscal impact of this act on municipal corporations levying an income tax. The committee shall consider the impact of the act's changes to the treatment of net operating losses, the "casual entrant rule" under section 718.011 of the Revised Code the apportionment and allocation of net profits, the taxation of supplemental executive retirement plans, the delivery of notifications by certified mail to taxpayers, and any other provisions of the act that may affect the revenue derived by municipal corporations from income taxes"

In line 5039, after "estimate" insert "and determine"; after "between" insert "(1)"

In line 5041, after "2018" insert "as if none of the changes described in division (A) of this section applied to those tax years,"; after the second "and" insert "(2)"

In line 5043, delete all after "if" and insert "such changes applied beginning in 2012."

Delete lines 5044 and 5045

In line 5047, delete "levies" and insert "levied"

Delete lines 5048 through 5056 and insert "use the method prescribed by the Municipal Income Tax Reform Committee under division (C) of this section to estimate and report the data described in divisions (C)(1) and (2) of this section."

In line 5057, delete "Net Operating Loss Review" and insert "Reform Study"

In line 5066, delete everything after "of" and insert "the changes described in division (A) of this section."

Delete line 5067

Delete lines 5072 through 5075

In line 5076, delete "(G)" and insert "(F)"; delete "Net Operating Loss Review" and insert "Reform Study"

In line 5078, delete "(H)" and insert "(G)"

The question being, "Shall the motion be agreed to?"

Senator Widener moved that the amendment be laid on the table.

The question being, "Shall the motion be agreed to?"

A roll call was requested which was properly supported.

The yeas and nays were taken and resulted - yeas 22, nays 9, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Burke
Coley	Eklund	Gardner	Hite
Jones	Jordan	LaRose	Lehner
Manning	Obhof	Oelslager	Patton
Peterson	Schaffer	Seitz	Uecker
Widener			Faber-22.

Those who voted in the negative were: Senators

Brown	Cafaro	Gentile	Kearney
Sawyer	Schiavoni	Skindell	Tavares
			Turner-9.

The amendment was laid on the table.

The question recurred, "Shall the bill, **Sub. H. B. No. 5**, pass?"

The yeas and nays were taken and resulted - yeas 23, nays 8, as follows:

Those who voted in the affirmative were: Senators

Bacon	Balderson	Beagle	Brown
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Burke	Coley	Eklund	Gardner
Hite	Jones	Jordan	Kearney
LaRose	Manning	Obhof	Oelslager
Patton	Peterson	Schaffer	Seitz
Uecker	Widener		Faber-23.

Senators Cafaro, Gentile, Lehner, Sawyer, Schiavoni, Skindell, Tavares, and Turner voted in the negative-8.

So the bill passed.

The question being, "Shall the title be agreed to?"

Senator Peterson moved to amend the title as follows:

Add the names: "Burke, Coley, Eklund, Faber, Jones, Jordan, Peterson, Schaffer, Seitz."

The question being, "Shall the motion be agreed to?"

The motion was agreed to and the title so amended.

OFFERING OF RESOLUTIONS

Senator Faber offered the following resolution:

S. J. R. No. 9-Senator Faber.

Proposing to amend Section 4 of Article II, Section 20 of Article II, Section 31 of Article II, and Section 6 of Article IV of the Constitution of the State of Ohio and to enact Section 20a of Article II of the Constitution of the State of Ohio to establish the Public Office Compensation Commission.

The question being, "Shall the resolution, **S. J. R. No. 9**, be adopted?"

Senator Widener moved that Senate Rule No. 54 be suspended and that **S. J. R. No. 9** be referred to the standing committee on State Government Oversight and Reform.

The question being, "Shall the motion be agreed to?"

The motion was agreed to.

Pursuant to Senate Rule No. 54, the following resolution was offered:

S. R. No. 428-Senator Hughes.

In memory of Specialist Joseph Riley.

The question being, "Shall the resolution listed under the President's prerogative be adopted?"

So the resolution was adopted.

Message from the House of Representatives

Mr. President:

I am directed to inform you that the House of Representatives has adopted the following concurrent resolution in which the concurrence of the Senate is requested:

H. C. R. No. 57 -Representatives Sears, Antonio

Cosponsors: Representatives Amstutz, Butler, Dovilla, Grossman, Hagan, R., Hackett, Patterson, Phillips, Scherer, Smith, Stebelton, Wachtmann, Brown, Sprague, Burkley, Condit, Damschroder, Duffey, Green, Hayes, Henne, Hill, Huffman, Johnson, McClain, Perales, Ruhl, Schuring, Stautberg, Speaker Batchelder

To encourage the federal Centers for Medicare and Medicaid Services to revise survey measures included in the Hospital Consumer Assessment of Healthcare Providers and Systems that relate to patient pain management.

Attest:

Bradley J. Young,
Clerk.

The question being, "Shall the resolution, **H. C. R. No. 57**, be adopted?"

On the motion of Senator Widener, **H. C. R. No. 57**, was referred to the Committee on Reference.

Message from the House of Representatives

Mr. President:

I am directed to inform you that the House of Representatives has passed the following bills in which the concurrence of the Senate is requested:

Am. Sub. H. B. No. 238 -Representative Butler

Cosponsors: Representatives Adams, J., Lynch, Terhar, Adams, R., Amstutz, Boose, Buchy, Damschroder, Derickson, Duffey, Green, Hackett, Henne, Hill, Hottinger, Retherford, Romanchuk, Ruhl, Sears, Thompson, Speaker Batchelder

To enact sections 9.49, 9.491, 9.492, 9.493, 9.494, 9.495, 9.496, and 9.497 of the Revised Code to provide transparency in contracts between the state and private attorneys.

Sub. H. B. No. 343 -Representative Stebelton

Cosponsors: Representatives Anielski, Baker, Burkley, Duffey, Grossman,

Henne, Kunze, McGregor, Ruhl, Sheehy, Sprague, Speaker Batchelder

To amend sections 3301.0711, 3301.0712, 3302.02, 3302.03, 3302.035, 3313.534, 3313.612, 3313.672, 3313.814, 3314.06, 3314.38, 3317.034, 3317.23, 3317.24, 3319.227, 3319.261, 3321.13, 3345.86, 3365.04, 3365.05, and 3365.07 of the Revised Code, and to amend Sections 263.20 and 263.320 of Am. Sub. H.B. 59 of the 130th General Assembly, as subsequently amended, and Section 9 of Am. Sub. H.B. 487 of the 130th General Assembly with respect to state assessments and academic performance reporting, and to make other changes regarding primary and secondary education programs.

Am. Sub. H. B. No. 378 -Representatives Smith, Sprague

Cosponsors: Representatives Wachtmann, Brown, Sears, Adams, R., Anielski, Antonio, Baker, Bishoff, Blessing, Boose, Buchy, Budish, Burkley, Butler, Conditt, Derickson, Dovilla, Driehaus, Duffey, Fedor, Gerberry, Green, Grossman, Hackett, Hagan, C., Hall, Hayes, Hill, Kunze, Letson, Mallory, McClain, Milkovich, O'Brien, Patterson, Pelanda, Reece, Rogers, Ruhl, Sheehy, Stinziano, Terhar, Thompson, Winburn, Speaker Batchelder

To amend sections 4729.291, 4729.541, and 4729.99 and to enact section 4731.056 of the Revised Code to establish requirements regarding controlled substances containing buprenorphine used for the purpose of treating drug dependence or addiction.

Am. H. B. No. 460 -Representatives Brenner, Driehaus

Cosponsors: Representatives Fedor, Bishoff, Antonio, Anielski, Baker, Barborak, Barnes, Boyce, Brown, Butler, Celebrezze, Curtin, DeVitis, Duffey, Gerberry, Green, Grossman, Hackett, Hagan, R., Henne, Huffman, Kunze, Letson, Mallory, McClain, McGregor, Milkovich, O'Brien, Patmon, Patterson, Perales, Phillips, Reece, Romanchuk, Ruhl, Schuring, Sheehy, Slesnick, Smith, Sprague, Stautberg, Stebelton, Stinziano, Strahorn, Sykes, Terhar, Winburn, Speaker Batchelder

To enact sections 3302.15, 3302.16, and 3302.17 of the Revised Code to authorize school districts and community schools to initiate a community learning process to assist and guide school restructuring.

H. B. No. 529 -Representatives Retherford, Conditt

Cosponsors: Representatives Derickson, Butler, Becker, Wachtmann, McClain, Smith, Hill, Ruhl, Sprague, Terhar, Buchy, Anielski, Baker, Brenner, Brown, DeVitis, Grossman, Hagan, C., Kunze, Scherer, Schuring, Sears, Thompson, Young, Speaker Batchelder

To amend section 2925.02 of the Revised Code to include within the offense of "corrupting another with drugs" a prohibition against knowingly furnishing or administering to a pregnant woman, or inducing or causing a pregnant woman to use, a controlled substance.

Attest: Bradley J. Young,
Clerk.

Said bills were considered the first time.

Message from the House of Representatives

Mr. President:

I am directed to inform you that the House of Representatives has concurred in the passage of the following bill:

S. B. No. 227 -Senator Beagle

Cosponsors: Senators Gardner, Hughes, Jones, Manning, Patton, Turner, Bacon, Balderson, Brown, Burke, Cafaro, Coley, Faber, Gentile, Hite, LaRose, Obhof, Oelslager, Peterson, Sawyer, Schaffer, Schiavoni, Tavares, Widener Representatives Adams, R., Amstutz, Anielski, Antani, Baker, Brown, Buchy, Butler, Derickson, Dovilla, Hackett, Hagan, C., Landis, Milkovich, Perales, Retherford, Romanchuk, Rosenberger, Schuring, Sears, Sheehy, Smith, Sykes, Speaker Batchelder

To enact section 5.2294 of the Revised Code to designate the second Tuesday of April as "Ohio Internship and Co-Op Appreciation Day."

Attest: Bradley J. Young,
Clerk.

Message from the House of Representatives

Mr. President:

I am directed to inform you that the Speaker of the House of Representatives has signed the following bill:

S. B. No. 148 -Senators Turner, Patton - et al.

Attest: Bradley J. Young,

Clerk.

The President signed said bill.

MESSAGE FROM THE PRESIDENT

Pursuant to Senate Rules No. 19 and 20, the President of the Senate appoints Senator Lou Gentile to the Public Utilities Committee, replacing Senator Shirley Smith.

On the motion of Senator Widener, the Senate adjourned until Thursday, December 4, 2014 at 11:00 o'clock a.m.

Attest:

VINCENT L. KEERAN,
Clerk.