



# Ohio Legislative Service Commission

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## Bill Analysis

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other LSC staff

### **S.B. 278**

129th General Assembly  
(As Introduced)

**Sens.** Kearney and Turner, Brown, Sawyer, Schiavoni, Skindell, Smith, Tavares

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## **BILL SUMMARY**

### **Small and minority businesses**

- Establishes the Small Business Microloan Revolving Loan Program to assist businesses with fewer than 500 employees and that conduct operations in Ohio in meeting capitalization requirements, expanding business operations, and creating and retaining jobs.
- Under the Small Business Bonding Program (SBBP) created by the bill, authorizes the Director of Development to execute bonds as surety for small businesses as principals on contracts with the state, a political subdivision, or an instrumentality of either, or any person, as the obligee.
- Establishes the Small Business Development Financing Advisory Board to assist the Director in carrying out the SBBP.
- Authorizes, under certain circumstances, a small business to bid or enter into a contract with the state, a political subdivision, or any instrumentality of either, without being required to provide a bond.
- Sets \$2 million as the maximum amount of any bond that can be issued by the Director of Development under the Minority Business Bonding Program.
- Requires that the Minority Development Financing Advisory Board meet on the second Tuesday of every month.

### **Workforce development**

- Modifies the membership of workforce policy boards.

- Requires the Office of Workforce Development under the Department of Job and Family Services to assist local workforce policy boards in identifying local skill shortages and working with educational agencies to develop programs to meet workforce demands.
- Authorizes the Director of Job and Family Services to make grants to nonprofit organizations for the purpose of carrying out urban jobs programs that offer comprehensive services to eligible youth in urban communities to provide them with a pathway to employment or education leading to employment.
- Requires the Director to award competitive grants to nonprofit or for-profit organizations to fund programs that provide summer employment opportunities for individuals between ages 16 and 21 who reside in an area of high poverty.
- Establishes the Pathways Back to Work Program under which grants are awarded to provide subsidized employment to unemployed, low-income adults, summer and year-round employment opportunities to low-income youth, and work-based training and other educational activities to unemployed, low-income adults and low-income youth.

### **Eligibility for unemployment compensation benefits**

- Allows an individual seeking only part-time work (at least 12 hours per week) to receive unemployment compensation benefits.
- Allows a claimant to be eligible for unemployment compensation benefits if the Director of Job and Family Services finds that the claimant was separated from employment because of circumstances directly resulting from domestic abuse.
- Allows a claimant to be eligible for unemployment compensation benefits if the Director finds that the claimant was separated from employment because of compelling family circumstances, including illness or disability as defined in the bill of the claimant or the claimant's immediate family member and employment transfer of a spouse.
- Requires, if an individual is eligible to receive unemployment compensation benefits because the separation from employment was due to circumstances resulting from domestic abuse or compelling family circumstances and if the individual's employer was a contributory employer, those benefits to be charged to the Mutualized Account and not the employer's account.

## **Training extension benefits**

- Permits a claimant who has exhausted all available unemployment compensation benefits to receive training extension benefits for 26 weeks if the claimant satisfies certain criteria.
- Requires the training program in which the claimant must participate to be eligible for training extension benefits to be approved by the Director of Job and Family Services and be authorized under the federal Workforce Investment Act.
- Requires the approved training program to prepare the claimant for entry into a high-demand occupation as defined in the bill if the Director determines that the claimant separated from a declining occupation, as defined in the bill, or has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations.
- Requires training extension benefits to be charged to the Mutualized Account and not an employer's account.

## **Short-Time Compensation Program**

- Creates the Short-Time Compensation Program.
- Allows an employer who wishes to participate in the Program to submit a shared work plan to the Director of Job and Family Services for approval.
- Lists requirements that an employer must satisfy to have an approved short-time compensation plan, including that the plan must reduce the normal weekly hours of work for an employee in the affected unit identified in the plan by at least 10% but not more than 60%.
- Specifies that a short-time compensation plan takes effect on the date the Director approves the plan and expires on the last day of the 12th calendar month beginning after the effective date of the plan.
- Allows the Director to terminate a plan for good cause if the plan is not being executed according to the terms and intent of the Short-Time Compensation Program.
- Allows for a participating employer to modify an approved short-time compensation program as long as the modification conforms to the basic provisions of the plan as approved.

- Prohibits an employer that traditionally has used part-time employees or a seasonal employer from implementing a short-time compensation plan to subsidize the employer's employees.
- Lists eligibility requirements for employees to receive short-time compensation benefits.
- Requires the Director to pay an eligible employee a weekly short-time compensation benefit equal to the employee's regular weekly benefit amount for a period of total unemployment multiplied by the nearest full percentage of reduction of the employee's wages under the short-time compensation plan.
- Limits the amount of short-time compensation benefits an employee may receive to 26 weeks, regardless of whether the employee has exhausted the employee's total benefit amount for the employee's benefit year and includes other limitations on benefits.
- Specifies that an individual participating in a short-time compensation plan may participate in training to enhance job skills if the program is approved by the Director.
- Allows the Director to require a participating employer to monitor and evaluate the operation of the employer's short-time compensation plan and report the findings to the Director.

### **Bridge to Work Program**

- Creates the Bridge to Work Program to provide short-term work experience to a claimant who is receiving regular unemployment compensation benefits and treats those benefits as the claimant's wages.
- Prescribes requirements for participation in the Bridge to Work Program for employers and employees and lists the circumstances in which an employer is unable to participate in the Program.
- Prohibits an employer who participates in the Bridge to Work Program from impairing a collective bargaining agreement, using participants to displace, continue to lay off, terminate, or infringe on promotional opportunities of a current employee, or to perform duties as a result of a strike or lockout.
- Bars an employer from further participation in the Bridge to Work Program if, after 24 weeks of Program participation, the employer has not made an offer of suitable long-term employment to any claimant participating in the Program

who was placed with the employer and who has completed the Program, and specifies other circumstances under which the employer may be barred from participation.

### **Real property tax exemption for improvements to distressed property**

- Authorizes tax exemption for commercial or residential real property that is vacant, abandoned, foreclosed, or located in a blighted area and that is improved within one year after being acquired by an owner; exemption continues until the owner sells the property.

### **Personal income tax; CAT**

- Authorizes an income tax deduction or a commercial activity tax (CAT) exclusion for net profits or receipts arising from providing broadband service to rural areas.
- Authorizes a five-year income tax deduction or CAT exclusion for rental income received by a landlord from renting property to moderate-income persons if the property is located in a blighted area or was previously vacant, abandoned, or foreclosed.
- Authorizes nonrefundable income tax and CAT credits for employers that hire and employ certain formerly unemployed persons (\$4,000), veterans (\$5,600), or disabled veterans (\$9,600).

### **Elimination of various tax credit and deductions**

- Eliminates the existing CAT credit for corporations to compensate for the loss of more than \$50 million in unused net operating loss deductions and other deferred tax assets arising from the conversion from the corporation franchise tax to the CAT.
- Eliminates the existing income tax deduction for contributing to the Ohio Tuition Trust Authority's College Savings Program or purchasing tuition units.
- Eliminates the existing income tax credits for contributions to campaigns for state elected office and for grape production equipment purchases.
- Eliminates the income and corporation franchise tax credits for investment in ethanol production plants (set to expire at the end of 2012).
- Eliminates sales and use tax exemptions for agricultural land tile, portable grain bins, copyrighted motion pictures for exhibition purposes, magazine subscriptions, food service equipment, food vending machines, advertising material, fractional aircraft ownership program purchases, purchases for aircraft repair and

maintenance, flight simulators, professional racing motor vehicle team purchases, and electronic publishing equipment.

- Eliminates the \$800 cap on sales or use tax due on purchase of an aircraft under a fractional aircraft ownership program.

## **Appropriations**

- Makes appropriations.

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	01-10-12

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