

**From the Desk of Matt Dolan**

The pace of legislative work has certainly picked up since my last newsletter. Much of the work being done in Columbus has centered around the budget.

However, several other pieces of legislation have been voted on, and passed off the Senate floor. I have summarized all these votes in the Legislative Update section of the newsletter. I have chosen the two bills below to discuss more in depth.



**SB 2**

In its current form, SB 2 embraces two concepts that I believe make for good public policy. The first concept is the further protection and preservation of Lake Erie. The bill does this by taking additional steps to ensure clean drinking water, and further supporting the continued effort to eliminate harmful algae blooms, as well as other toxins.

SB 2 also directs the Lake Erie Commission to consider economic benefits and strategies in its promotion of Lake Erie. Ohio needs to position itself as a leader in the availability of fresh water. SB 2 is an important step in that direction.

The second concept that I believe lends itself to good public policy is the idea that the private sector often has solutions to offer to a public problem. In this case, the public problem is the disposal of construction debris. Here too, SB 2 is a step in the right direction. It helps reduce the potential risks from construction and landfill debris, but also encourages the beneficial uses of potentially helpful materials from dredging and slag.

Overall, SB 2 will benefit communities across the state by making a number of improvements to Ohio's environmental safety, and human health and safety programs. However, when the bill was originally introduced, I had my concerns.

Specifically, the original version of SB 2 gave too much power to Ohio's EPA. I successfully included an amendment that restricted the EPA's powers to issues of public health concerns only. Public water systems need to have the financial backing, appropriate management know-how and the relevant technology. The EPA can assist our water systems in achieving the goals stated above. But the EPA should *not* be able to take over the systems unless the water quality is a threat to human health.

By successfully amending SB 2, I was able to alleviate concerns that I had about a statewide creep of EPA powers over our local water systems.

SB2 is now in the House. I will continue to work to ensure my amendment remains in the bill as it moves through the rest of the legislative process.

## **HB 26**

The legislature also passed HB 26, the state's transportation budget, which provides funding for the Ohio Department of Transportation, Department of Public Safety, Public Works Commission and Development Services Agency.

The \$7.8 billion bill funds the construction and maintenance of the state's transportation system, enhances safety, promotes commerce and seeks to put tens of thousands of Ohioans to work.

It had been my hope that the final version of the transportation budget would be the version passed by the Senate. The Senate version provided additional funding to local governments, and it did so without raising taxes. I advocated for the reallocation of \$48 million to local governments for infrastructure projects. However, for reasons I still don't know, the Ohio House and governor took this provision – which amounted to a little more than *one half of one percent* of the overall transportation budget -- from the bill.

Of course, the bill does fund important infrastructure needs throughout the state. Other highlights of the bill include:

- **Maintaining Ohio's Bridges:** HB 26 reauthorizes the Ohio Bridge Partnership Program, which is a construction initiative designed to provide resources for county bridge projects.
- **Bringing Business Back to Ohio:** Registration fees for high-volume, commercial vehicle fleets are reduced, encouraging these businesses to stay in

Ohio. This will result in more job opportunities and economic development in Ohio's trucking and commercial vehicle industry. HB 26 also modernizes and streamlines the current vehicle registration process.

- **Enhanced Consumer Protections:** Because of the increase in websites that look like they are government websites but are not, it is now a requirement of any entity other than the Registrar of Motor Vehicles must use a prominent disclaimer about fees charged for services that are otherwise already provided by authorized local registrars.
- **Increasing Local Government Efficiency:** Townships and municipal corporations now have the flexibility to enter into agreements to share services as it relates to the maintenance, repair and improvement of their roads by creating joint road districts.
- **Funding for Public Transit:** This year's transportation budget will invest at least \$66 million over the next two years in public transit options across the state.

Upon our return from Easter Break, the Senate will begin its deliberations of Ohio's operating budget. This will provide an excellent opportunity to be strategic in our tax policy and to encourage business growth. On the education front, this will also be a perfect opportunity to begin eliminating the "one size fits all" approach to k-12 education, and to incentivize students and universities to be effective and efficient with higher education tax dollars. Finally, it is critical that this operating budget works to again restore the solid relationship that once existed between state and local governments.

I look forward to seeing you on May 6 at my town hall meetings, which will be in Strongsville from 10:00 to noon, and Solon from 1:30 to 3:30.

## At the Capitol

I have enjoyed visiting with many different people, groups, advocates and school children in my first few months in office. Our state capitol is beautiful, and filled with a rich history. I encourage anybody to come down to Columbus for a visit and a tour of our building.

Along with our state's operating budget, I have introduced two bills that I believe will spur economic and job growth in Ohio. I have also introduced a resolution that addresses what I believe is a pressing need for our state and national economies.

### **SB 132**

I want our businesses to have an opportunity to reinvest their own money for more jobs and to help our fast-growing and competitive alternative energy sector. That is why I introduced **SB 132**.

This bill establishes a five-year pilot program that allows taxpayers with facilities in a Foreign Trade Zone to claim a nonrefundable commercial activity tax (CAT) credit equal to the amount the business reinvests exclusively for additional and actual job creation. This credit may also be applied toward an investment in onsite renewable energy resources.

CAT is a revenue source for the state that is derived from business revenue.

There are nine Foreign Trade Zones in Ohio, including two in Northeast Ohio. They employ over 28,000 people in our state.

### **SB 131**

As technology allows more and more employees to work exclusively from home, it is important that incentives we provide for economic growth reflect that reality.

My other piece of legislation, **SB 131**, addresses the increasing impact of home-based employees in our changing economy. As such, this bill would allow for employers with certain home-based employees to qualify for the Job Creation Tax Credit (JCTC). If passed, the credit would extend to those taxpayers who propose a project to create new jobs in Ohio which includes work-from-home employees as a part of their hiring plan.



Incentivizing business to create jobs for Ohio work-from-home employees will significantly benefit Ohio, Ohio employees and Ohio residents, while expanding the Ohio tax base.

I also believe that the legislation will improve Ohio's competitiveness with surrounding states. By removing geographical boundaries, employers are enabled to recruit more broadly, which enhances the talent pool, while at the same time increases employee productivity and job satisfaction.

To be eligible for the tax credit, any proposed project would still need to include all existing additional requirements; including Ohio residency and capital investment at the project site.

### **SR 59**

Finally, I, along with Senator Frank LaRose introduced **SR 59**, a resolution that encourages Congress to upgrade the Soo Locks. Located in Sault Ste. Marie in the Upper Peninsula of Michigan, the locks are critical to the Great Lakes and United States economies. The Great Lakes are used to transport an estimated \$5 *trillion* worth of goods over its waterways every year.

Products like iron ore, steel and grains are transported all around the Great Lakes region using these four locks. Of the four, there is only one operational lock, the Poe Lock, that is large enough to accommodate the vessels that are used to carry these products. Seventy percent of all vessels traveling across the Great Lakes use Poe Lock, leaving our region vulnerable if it were to become damaged.

That is why I am asking the president, Congress and the United States Office of Management and Budget to follow through with their plans for creating a second Poe-sized Lock in the Great Lakes. The creation of such would provide an extra, needed level of security to our nation's economy.

## Legislative Update

In “From the Desk of Matt Dolan”, I discussed in depth two pieces of legislation that I found of particular interest. However, I have voted on several pieces of legislation since assuming office on January 3. Below is the summary of all the legislation I voted on up to April 6, 2017. I voted YES on all of these bills:

### **Public Safety and Criminal Justice**

**SB 1** makes it a crime to traffic in a fentanyl-related compound. Fentanyl is an opiate that is 30 to 50 times more powerful than heroin. It has been linked to hundreds of overdose deaths throughout Ohio and is now being mixed with heroin, which makes the compound even more lethal. Even trace amounts of fentanyl can kill an individual.

If signed into law, selling fentanyl near schools or to minors will be a first-degree felony. Offenders convicted of that charge will also be labeled major drug offenders.

Importantly, the focus of SB1 is on improving public safety by placing drug dealers in prison, and away from Ohio’s communities.

**SB 7** came about as a result of the Ohio Supreme Court’s ruling in *State v Smith*. In that particular case, the court ruled that a violent offender who had knowledge of a protection order, but had not formerly been served the order, could not be convicted of violating the order. In other words, even though the violent offender had knowledge of protection order during a violent assault, the fact that he had not been formerly served the order prevented his conviction.

SB 7 is the Senate’s response to that ruling. The bill establishes that service of a protection order or consent agreement upon a person is not necessary for the person to be convicted of the offense of violating that order if the person has had actual notice of the order and the person recklessly violated its terms.

**SB 20** creates Destiny’s Law, which requires an additional mandatory prison term of 3 to 8 years for individuals convicted of felonious assault on a child under 13, or child endangerment, when the victim is left with substantially impaired intellectual or physical injuries that prohibit the child from engaging in the ordinary demands of life. The bill is named for a young child from Ohio who suffered permanent brain damage at the hands of her abuser.

**SB 33** makes it clear that a defendant has a right to see a copy of his or her criminal record during a traffic or criminal case. The Ohio Rules of Criminal Procedure provide

that a defendant has a right to know his or her criminal record. Privacy laws, however, conflicted with Law Enforcement Automated Data System (LEADS) law so SB 33 is necessary to ensure prosecutors can legally disclose this information.

**HB 9** allows bicyclists whose bikes were not detected by a traffic signal to proceed through that intersection, so long as the bicyclist clearly follows all right-of-way requirements and exercises ordinary care when proceeding through the intersection.

### **Government**

**SB 10** will save taxpayer dollars by eliminating the need for uncontested primary elections to appear on the ballot. If signed into law, the nomination will automatically go to the sole individual running for that office.

**SB 25** creates the Perry County Municipal Court, which will sit in New Lexington, Ohio.

**SB 37** requires the Ohio Peace Officer Training Commission (OPOTC) to develop and conduct a 40-hour training course for newly appointed chiefs of police. This creates an opportunity for local police chiefs to receive appropriate training that will better equip them to be effective and dynamic leaders within their community.

**SB 44** brings greater transparency and accountability to local elections by permitting candidates not currently required to file campaign finance statements electronically to do so.

**SB 88** revises the fiscal emergency procedures for local governments (municipalities, townships and counties) to ensure financial planning and supervisory commissions are properly empowered to restore fiscal stability. The bill's provisions were recommended by the Ohio Auditor of State.

**HB 26** is the Transportation Budget bill. I discuss the important aspects of this bill in "From the Desk of Matt Dolan."

### **Commemorations and Designations**

**SB 18** designates Jesse Owens Day to commemorate the accomplishments of the Ohio State and Olympic track & field star. The date of September 12th was chosen to coincide with Owens' birthday.

**SB 23** designates January 31st as "Omphalocele Awareness Day." An omphalocele is an abdominal wall defect that occurs when an infant's intestines, liver, and occasionally other organs grow outside of the body and push through into the navel. The organs are covered in a thin, nearly transparent sac and almost always require surgery to correct. SB 23 is intended to bring public awareness, support and education to this very serious diagnosis.

**SB 27** designates the period beginning March 13th and ending April 15th as “Ohio Deaf History Month.” Designating this time period helps to promote equality while empowering deaf and hard-of-hearing citizens through public awareness and community resources.

**SB 57** designates May 17 as "Diffuse Intrinsic Pontine Glioma Awareness Day." Diffuse Intrinsic Pontine Glioma (DIPG) is a tumor of the brainstem that occurs almost exclusively in children. DIPG is one of the most resistant of all cancers to chemotherapy treatments and is the second most common malignant brain tumor found in children. It is the leading cause of childhood death due to brain tumors, impacting between 200-400 children each year in the U.S.

### **Miscellaneous**

**SB 2** has to do with promoting, protecting and preserving Lake Erie. I discuss this bill in detail in “From the Desk of Matt Dolan.”

**SB 6** creates the Ohio Bridge Partnership Program (BPP). The Bridge Partnership Program is a partnership between the state and local governments and entities to fully fund the replacement or repair of locally-owned bridges. Using federal funds with no required local match, the BPP has funded the repair and replacement of over 200 structurally deficient county and local bridges since 2014.

**SB 9** reestablishes a three-day sales tax “holiday” on August 4, 5, and 6 of 2017. Sales of clothing, school supplies, and school instructional materials.

The sales tax holiday applies to clothing costing \$75 or less per item (not including accessories or sports equipment), and school supplies and instructional materials costing less than \$20 per item.

**SB 24** creates the Consumer Installment Loan Act (CILA) to help consumers, regulators, and industry participants determine which types of loans should be made under a specific, new section of code. The bill does not impact the Ohio Mortgage Loan Act (OMLA).

This bill also modifies record retention requirements to reflect the ability to use electronic record keeping, and requires licensees to comply with the Fair and Accurate Credit Transactions Act of 2003.

**SB 29** updates Ohio’s banking laws for the first time since the 1980’s. It enacts a new “universal” banking law that regulates banks, savings and loan associations, and savings banks under the same statute. It also eliminates unnecessary regulatory duplication and burdens on Ohio banking organizations, and streamlines regulatory governing boards.



This modernization ensures Ohio law reflects the dramatic changes that have occurred in the banking industry over the past thirty years, most notably electronic banking.

Together, **SB 22 and HB11** conform to federal tax law changes that were signed into law in 2016. These modifications update Ohio tax law to reflect federal tax benefits that are used in the calculation of Federal Adjusted Gross Income (FAGI).

The bill will permit Ohioans to receive all of the benefits allowed by the IRS and avoid additional complexity when filing their taxes.

HB 11 and SB 22 are companion bills. A technical amendment and emergency clause were added to HB 11 by the Senate prior to passage.

## In the 24<sup>th</sup> District

As important as it is to me to work on policies that affect the 24<sup>th</sup> District and Ohio, it is equally important to be back in the district meeting constituents, attending ribbon cutting and Eagle Scout award ceremonies, and honoring members of the local community.



Ceremonies take on an extra special meaning when they are honoring one of your friends. In March, I was truly honored to be a guest at the ceremony recognizing Solon resident Marilyn Matia's receipt of the International Growing Bolder Inspiration Award.

Growing Bolder is an international organization dedicated to "rebranding aging." They honor those people who "as valuable members of our community, are pursuing their passions and living lives of purpose while making a difference in the lives of others."

As anyone who has met Marilyn can attest, she approaches everything she does with passion and purpose. Congratulations, Marilyn!

I have set my first town hall meetings for May 6 in Strongsville and Solon. However, I am always willing to speak to civic and grassroots organizations. So I was deeply appreciative of the opportunity to speak with members of Patriots for Change a few weeks back.

In today's political day and age, one might think that a Republican state senator and a progressive grassroots organization may not have much to say to each other; at least not with any degree of civility. However, that was certainly not the case with Becky Thomas' group.



For almost two hours we were able to have a substantive conversation about the issues that concern them most, and they were able to hear my views on government, the economy and education. While there was disagreement, perhaps most importantly, we were able to find points that we could all agree upon, that being that the actions of Columbus must be respectful of and in partnership with our local governments.

If you or your organization is interested in me attending one of your events, please do not hesitate to contact my office directly at (614) 466-8056. My legislative aide, Sarah Totodo, will be sure that I receive your invitation.

I am back home in the district every week, and always enjoy the opportunity to meet and hear from my constituents.

I look forward to seeing you in Strongsville and Solon on May 6.

## Profile

### Joe's Deli

Every quarter we profile a local business in our Northeast Ohio community.

Earlier this month I had the pleasure of meeting and sitting down with Joe and Jeanette Kanaan, owners of Joe's Deli.

Located on Hilliard Boulevard in Rocky River, Joe's Deli has become somewhat of an institution in the Cleveland area, having served American and Lebanese style dishes for nearly 25 years.

The deli now has over 60 employees, many of whom have been with them a long time.

"Our chef has been with us for 25 years, and several others have been with us for over 20 years," Jeanette says.



Joe attributes his employees' longevity to the relationship he and his wife have with them.

"I believe you should treat them as your friends, not your employees," he said.

Joe originally started off as a plumber before getting into the restaurant business.

"It still comes in handy," he says, referring to his plumbing background. "If we have water issues at the restaurant, I can fix them myself."

Joe's story very much epitomizes the American story, one of an immigrant who came to this country years ago to pursue a dream and raise a family.



*L to R: Long-time employee, Sharon Terry, Joe Kanaan, myself, Jeanette Kanaan, their nephew George Aoun*

The youngest of 8 children, Joe left Lebanon in 1968 at age 20, with only \$300 in his pocket. After spending a few years in Australia as a plumber, Joe's life changed on a visit to America. There he met his wife, Jeanette, and soon after found himself in the restaurant business.

By his own admission, Joe knew nothing about the restaurant business when he started. Jeannette, however, already had several years of experience in the industry – her family founded another Cleveland institution, Slyman's.

Originally starting off as Joe's Coffee Shop in the Buckeye Building downtown, they moved to Rocky River in 1994, and have been serving their extensive menu – all made from scratch – ever since.

"Rocky River is a wonderful community to live, work and raise your children," Jeanette said.

## Measuring Success

As the year progresses, it is important that we are able to measure how we are doing in a straightforward and meaningful manner. Because jobs and a growing economy play such an important role in the health of our communities, my initial focus will be on unemployment, wages and private sector growth.

Below are some measures that I believe are good indicators of how we are doing in these areas.

Metro Cleveland & Ohio Private Employment, Hours & Earnings Trends					
	Jan-15	Jan-16	Jan-17	2015-16 %Chg	2016-17 %Chg
<b><u>Metro Cleveland</u></b>					
Private Employment	885,800	898,000	900,800	1.4%	0.3%
Avg. Weekly Hrs	34.2	34.9	35.0	2.0%	0.3%
Avg. Hourly Earnings	\$23.65	\$23.66	\$25.52	0.0%	7.9%
<b><u>Ohio</u></b>					
Private Employment	4,518,400	4,588,900	4,617,000	1.6%	0.6%
Avg. Weekly Hrs	33.8	34.0	34.3	0.6%	0.9%
Avg. Hourly Earnings	\$22.51	\$23.12	\$24.09	2.7%	4.2%
Source: Bureau of Labor Statistics, CES, Employment, Hours and Earnings. Not seasonally adjusted. Employment data is rounded. Hours and earning are for private employment. January 2017 data is preliminary.					
Note: Metro Cleveland includes Cuyahoga, Geauga, Lake, Lorain and Medina counties.					

Metro Cleveland and Ohio Labor Force and Employment Trends					
	Jan-15	Jan-16	Jan-17	2015-16 %Chg	2016-17 %Chg
<b><u>Metro Cleveland</u></b>					
Labor Force	1,023,900	1,015,200	1,016,100	-0.8%	0.1%
Employment	963,300	962,900	949,100	0.0%	-1.4%
<b><u>Ohio</u></b>					
Labor Force	5,654,300	5,649,600	5,657,600	-0.1%	0.1%
Employment	5,310,400	5,331,700	5,318,600	0.4%	-0.2%
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted. Employment and labor force data are rounded. January 2017 data is preliminary.					
Note: Metro Cleveland includes Cuyahoga, Geauga, Lake, Lorain and Medina counties.					

Metro Cleveland and Ohio Unemployment Trends					
	Jan-15	Jan-16	Jan-17	2015-16 %Chg	2016-17 %Chg
<b><u>Metro Cleveland</u></b>					
Unemployment	60,600	52,200	67,000	-13.9%	28.4%
Unemployment Rate	5.9%	5.1%	6.6%	-13.6%	29.4%
<b><u>Ohio</u></b>					
Unemployment	343,900	317,800	339,000	-7.6%	6.7%
Unemployment Rate	6.1%	5.6%	6.0%	-8.2%	7.1%
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted. Employment and labor force data are rounded. January 2017 data is preliminary.					
Note: Metro Cleveland includes Cuyahoga, Geauga, Lake, Lorain and Medina counties.					

Metro Cleveland and Ohio Private Establishments Trends		
	2015 Q2	2016 Q2
<b>Establishments</b>		
Metro Cleveland	53,000	53,300
Ohio	275,500	278,700
Source: Bureau of Labor Statistics, Not seasonally adjusted. Establishment data is rounded. Second Quarter 2016 data is preliminary.		
Note: Metro Cleveland includes Cuyahoga, Geauga, Lake, Lorain and Medina counties.		