

STATE OF OHIO  
**Executive Department**

OFFICE OF THE GOVERNOR

*Columbus*

**VETO MESSAGES**

**STATEMENT OF THE REASONS FOR THE VETO OF ITEMS IN  
AMENDED SUBSTITUTE HOUSE BILL 166**

**July 18, 2019**

Pursuant to Article II, Section 16 of the Ohio Constitution, which states that the Governor may disapprove any items in a bill making an appropriation of money, I hereby disapprove the following items contained in Amended Substitute House Bill 166 and set forth below the reasons for so doing. The text I am disapproving is identified in this message by reference to the corresponding page and boxed text of the bill.

**ITEM NUMBER 1**

On page 4, delete the following boxed text "5166.04,"  
On page 6, delete the following boxed text "5166.09,"  
On page 11, delete the following boxed text "5166.04,"  
On page 12, delete the following boxed text "5166.09,"  
On page 1565, delete the boxed text beginning with "Sec. 5166.04. The following requirements . . ."  
On page 1566, delete the boxed text.  
On page 1567, delete the boxed text beginning with "buy-in for workers . . ." and ending with ". . . nursing facility services."  
On page 1924, delete the following boxed text "5166.04,"  
On page 2233, delete the boxed text beginning with "Section 209.40. Passport Program Payments . . ."  
On page 2234, delete the boxed text beginning with "Living Program during . . ." and ending with ". . . June 30, 2019."  
On page 2278, delete the boxed text beginning with "Section 261.220 Direct . . ."  
On page 2279, delete the boxed text beginning with "(1) For the period . . ." and ending with ". . . \$13.23 per hour."  
On page 2384, delete the boxed text beginning with "Section 333.55. Passport Enhanced . . ."

On page 2385, delete the boxed text beginning with “Services . . . Of the foregoing . . .” and ending with “. . . the PASSPORT Program.”

On page 2390, delete the boxed text beginning with “Section 333.160. ICDS . . .”

On page 2391, delete the boxed text beginning with “If an urban . . .” and ending with “. . . peer group region.”; delete the boxed text beginning with “Section 333.185. Medicaid Payment . . .”

On page 2392, delete the boxed text beginning with “(B) The Medicaid payment . . .” and ending with “. . . with state statutes.”

On page 2400, delete the following boxed text “By January 1, 2020,”; delete the boxed text beginning with “based on both of the following . . .”

On page 2401, delete the boxed text beginning with “(2) The number of retail. . .” and ending with “. . . care management system.”

### **Medicaid Rates in Statute**

This item codifies certain Medicaid program rates in statute. The Ohio Department of Medicaid is supportive of the increase of rates for the Assisted Living Waiver Program, tiered pharmacy supplemental dispensing fees and increases for direct support professionals serving those with developmental disabilities and will implement the rate increase. However, these provisions and others that establish provider reimbursement rates in statute impose on the ability of the director of the Ohio Department of Medicaid to appropriately manage the policies and costs of the Medicaid program in a way that benefits Ohio consumers and complies with federal regulations. Therefore, this veto is in the public interest.

### **ITEM NUMBER 2**

On page 6, delete the following boxed text “5162.137,” “5167.242,” “5167.246,”

On page 12, delete the following boxed text “5162.137,” “5167.242,” “5167.246,”

On page 1535, delete the boxed text beginning with “Sec. 5162.137. The department of medicaid . . .” and ending with “. . . other state agencies or entities.”

On page 1580, delete the boxed text beginning with “that operate more than eleven locations . . .” and ending with “. . . operate eleven or fewer locations.”

On page 1581, delete the boxed text beginning with “(E) The director shall review . . .” and ending with “. . . medicaid managed care organizations.”; delete the following boxed text “(A)(1)”;

delete the boxed text beginning with “The state pharmacy benefit manager shall . . .” and ending with “. . . directly from the department.”; delete the boxed text beginning with “(2) The director shall establish . . .” and ending with “. . . this section, a medicaid managed”

On page 1582, delete the boxed text beginning with “care organization many contract directly . . .” and ending with “. . . efficiency of the medicaid program.”

On page 1583, delete the following boxed text “or 5167.242”; delete the boxed text beginning with “Sec. 5167.246. The medicaid director shall adopt . . .” and ending with “. . . section 5167.241 of the Revised Code;”

On page 1584, delete the boxed text beginning with “(G) Specify procedures for conducting . . .” and ending with “. . . under Section 5167.245 of the Revised Code.”

## **Pharmacy Benefit Manager**

This item requires the Ohio Department of Medicaid to establish a single statewide pharmacy benefit manager. The Department of Medicaid is willing to proceed with the provisions that achieve the legislature's goal of a single Medicaid pharmacy benefit manager, but the department requires flexibility to implement this goal successfully. Additionally, contained in this section are provisions that allow the pharmacy benefit manager to shield non-confidential and non-proprietary information inappropriately and limit transparency that Ohioans deserve. The item contains a number of operational requirements that inhibit innovation and the efficient administration of the program. Therefore, the veto is in the public interest.

### **ITEM NUMBER 3**

On page 6, delete the following boxed text, "3902.50," "3902.51, 3902.52,"; delete the boxed text beginning with "3962.01..." and ending with "3962.15,"; delete the following boxed text "5164.65,".

On page 12, delete the following boxed text, "3902.50, 3902.51, 3902.52,"; delete the boxed text beginning with "3962.01..." and ending with "3962.15,"; delete the following boxed text "5164.65,".

On page 1072, delete the boxed text beginning with "Sec. 3902.50" and ending with "Revised Code:".

On page 1073, delete the boxed text beginning with "(1) "Cost Sharing"" and ending with "providers for the".

On page 1074, delete the boxed text beginning with "service in question" and ending with "and reasonable amount,".

On page 1075, delete the boxed text beginning with "excluding any in-network" and ending with "that individual provider,".

On page 1076, delete the boxed text beginning with "(c) The covered person" and ending with "prior to arbitration,".

On page 1082, delete the boxed text beginning with "Sec. 3692.01. (A) As used in this chapter..." and ending at the bottom of the page.

On pages 1083 to 1095, delete the boxed text.

On page 1553, delete the boxed text beginning at the top of the page and ending with "...to medicaid managed care organizations."

On page 1572, delete the boxed text ", in accordance with section 3962.05 of the Revised Code,".

On page 1573, delete the boxed text "described in section 3962.04 of the Revised Code".

On page 1585, delete the boxed text "described in section 3962.04 of the Revised Code".

On page 2567, delete the boxed text beginning with "Section 739.31" and ending with "date of those sections,".

On page 2568, delete the boxed text beginning with "SECTION 751.15. CHALLENGES TO HEALTH CARE..." and ending at the bottom of the page.

On page 2569, delete the boxed text beginning at the top of the page and ending with "...to medicaid managed care organizations."

## **Health Care Price Transparency**

This item establishes procedures for health care providers to provide cost estimates to consumers for services and require reimbursement for out-of-network services for when performed at an in-network facility. I share the legislatures goal of providing consumers the information necessary to make informed decisions about their health care. Additionally, President Trump has recently signed an executive order requiring implementation of health care price transparency rules, an initiative which I also support. As the federal government develops these efforts and others, it is important that the state not place duplicative or burdensome regulations on health care providers, as these compliance costs will inevitably be passed on to the citizens of this State as consumers of healthcare. Over the past few months, the stakeholder community has worked toward this goal and developed common sense solutions, which should continue to be developed. I have requested that relevant state agencies collaborate with stakeholders to continue this important effort. Therefore, this veto is in the public interest.

### **ITEM NUMBER 4**

On page 2399, delete the boxed text beginning with “Section 333.230. RE-PROCUREMENT . . .” and ending with “. . . under the care management system.”

## **Managed Care Procurement**

This item requires the Ohio Department of Medicaid to re-procure contracts with Medicaid managed care organizations with an imposed deadline of July 1, 2020. This provision creates an artificial deadline for a necessarily complex process. The Ohio Department of Medicaid is committed to a deliberative procurement process that is thorough, includes public comment, is designed to meet recipient needs, and ensures that selected managed care organizations have undergone extensive readiness tests to demonstrate that they are able to meet the needs of a new system. Therefore, this veto is in the public interest.

### **ITEM NUMBER 5**

On page 3, delete the following boxed text, “4729.80,”.  
On page 6, delete the following boxed text, “4729.801,”.  
On page 6, delete the following boxed text, “5162.138, 5162.139,”.  
On page 6, delete the following boxed text, “5166.43, 5166.50,”.  
On page 6, delete the following boxed text, “5167.105, 5167.106,”.  
On page 6, delete the following boxed text, “5167.29, 5167.35,”.  
On page 7, delete the following boxed text, “5167.36,”.  
On page 10, delete the following boxed text, “4729.80,”.  
On page 12, delete the following boxed text, “4729.801,”.  
On page 12, delete the following boxed text, “5162.138, 5162.139,”.  
On page 12, delete the following boxed text, “5166.43, 5166.50,”.  
On page 12, delete the following boxed text, “5167.105, 5167.106,”.

On page 12, delete the following boxed text, “5167.29, 5167.35, 5167.36,”.

On page 1185, delete the boxed text beginning with “Sec. 4729.80” and ending with “only as follows:”.

On page 1186, delete the boxed text beginning with “(1) On receipt of” and ending with “by the board.”.

On page 1187, delete the boxed text beginning with “(7) On receipt of” and ending with “to the prescriber”.

On page 1188, delete the boxed text beginning with “information from the” and ending with “of this chapter.”.

On page 1189, delete the boxed text beginning with “(19)(a) On receipt of” and ending with “law enforcement outcomes.”.

On page 1190, delete the boxed text beginning with “The board may” and ending with “electronic file or format.”.

On page 1535, delete the boxed text beginning with “Sec. 5162.138” and ending with “the quality incentive”.

On page 1536, delete the boxed text beginning with “program established” and ending with “the general assembly.”.

On page 1568, delete the boxed text beginning with “Sec. 5166.43” and ending with “consisting of hospitals.”.

On page 1571, delete the following boxed text, “, including health insuring corporations,”.

On page 1571, delete the boxed text beginning with “The managed care” and ending with “health insuring corporation.”.

On page 1572, delete the boxed text beginning with “Sec. 5167.105” and ending with “the reasonable, good”.

On page 1573, delete the boxed text beginning with “faith cost estimate” and ending with “Revised Code.”.

On page 1584, delete the boxed text beginning with “Sec. 5167.29” and ending with “In rating participating”.

On page 1585, delete the boxed text beginning with “providers, an organization” and ending with “shall not be.”.

On page 1586, delete the boxed text beginning with “awarded points.” and ending with “average determined”.

On page 1587, delete the boxed text beginning with “under that division,” and ending with “of this section;”.

On page 1588, delete the boxed text beginning with “(2) Other managed care” and ending with “(d) Obesity rate;”.

On page 1589, delete the boxed text beginning with “(e) Incidence of relapse” and ending with “on their own.”.

On page 1923, delete the following boxed text, “4729.80,”.

On page 2392, delete the following boxed text, “Section 333.195. SHARED SAVINGS BONUS AND QUALITY”.

On page 2393, delete the boxed text beginning with “INCENTIVE PROGRAMS” and ending with “with those sections.”.

## **Medicaid Managed Care – Shared Savings, Quality Incentive Programs and Other**

This item would require the Ohio Department of Medicaid to seek authority from the U.S. Department of Health and Human Services to establish shared savings programs, incentive programs, value-based programs, and requirements for hospital contracting. These highly complex models require layers of federal approvals, impact access to services for Medicaid recipients and, in some circumstances, are contrary to federal regulation. Mandating these initiatives in law before an open and competitive procurement process has occurred will limit innovation and collaboration in establishing a new Ohio Medicaid managed care system. This item jeopardizes access to care, control of program costs, mitigation of duplicate programming, and alignment to administration priorities. Therefore, this veto is in the public interest.

### **ITEM NUMBER 6**

On page 4, delete the following boxed text “5160.01, 5160.48,”

On page 11, delete the following boxed text “5160.01, 5160.48,”

On page 1530, delete the boxed text beginning with “Sec. 5160.01. As used . . .”

On page 1531, delete the boxed text.

On page 1532, delete the boxed text beginning with “shall automatically designate . . .” and ending with “. . . section 5160.45 of the Revised Code.”

On page 1924, delete the following boxed text “5160.01, 5160.48,”

### **Automatic Designation of Authorized Representatives**

This item would require the automatic designation of a nursing facility or Assisted Living Waiver residential care facility as an individual’s Medicaid authorized representative. This item eliminates patient choice and violates federal law that permits an individual to decide whether to designate a Medicaid authorized representative and, if so, who to designate, and to limit the authorized representative’s assistance and access to confidential and protected health information. Therefore, this veto is in the public interest.

### **ITEM NUMBER 7**

On page 1556, delete the boxed text beginning with “Any claim for a Medicaid service provided...” and ending with “...from the expiration of the thirty-five-calendar-day period.”

### **MyCare Ohio**

This item would require that the Ohio Department of Medicaid pay any claim for a medically necessary service that is properly submitted using the standardized claim form and claim codes.

This item is inconsistent with federal regulations and may lead to improper payments, which would not be eligible for federal match. It would impose on the Medicaid director's executive authority to manage the state's Medicaid program. Therefore, this veto is in the public interest.

### **ITEM NUMBER 8**

On page 1562, delete the boxed text beginning with "Either of the following . . ." and ending with ". . . state fiscal year: (i)" and beginning with "(ii) The nursing facility . . ." and ending with ". . . beds from service."

On page 1563, delete the boxed text beginning with "Add the amount . . ." and ending with ". . . state fiscal year."; delete the following boxed text "the sum determined under"; delete the boxed text beginning with "(E)(2)(a)(ii) of this . . ." and ending with ". . . determined under divisions"; delete the following boxed text "and (iii) of this section"; delete the boxed text beginning with "(v) Multiply the sum . . ." and delete the following boxed text "(v)"

On page 2593, delete the boxed text beginning with "The amendment by this . . ."

On page 2594, delete the boxed text beginning with "Section 812.12(A) . . ." and ending with ". . . the Secretary of State."

### **Medicaid Rates for Nursing Facility Services**

This item would provide an additional quality incentive rate add-on for nursing facilities and set a budget reduction factor to be applied to a nursing facility's rate for each fiscal year. This would significantly inflate nursing home payment rates. They would delay until July 1, 2021, the elimination of a technical error that would result in the doubling of an inflationary adjustment and create a loophole to the occupancy requirement that would allow a nursing facility to inappropriately receive a quality payments. Further, it would impose on the authority of the director of the Ohio Department of Medicaid to effectively and efficiently manage Ohio's Medicaid program. The state has an interest in maintaining the fiscal and programmatic integrity of the Ohio Medicaid program, and this item undermines that interest by restricting the department director's ability to establish rates that best ensure the quality and efficiency of Medicaid nursing facility programs. Therefore, this veto is in the public interest.

### **ITEM NUMBER 9**

On page 2386, delete the boxed text beginning with "Section 333.65. Financial Health . . ." and ending with ". . . (A) of this section."

### **Medicaid Managed Care Organization Financial Health**

This item would require the Ohio Department of Medicaid to evaluate and benchmark the financial health of Medicaid managed care organizations (MCOs) and adopt rules addressing the organizations financial health. The Ohio Department of Medicaid already implements performance metrics and monitors the performance of its MCOs under the provider agreements. However, analyzing and evaluating the financial health and solvency of the MCOs already falls under the purview of the Department of Insurance. This provision is a duplication of regulation. Therefore, this veto is in the public interest.

#### **ITEM NUMBER 10**

On page 2383, delete the boxed text

On page 2397, delete the boxed text beginning with “Section 333.227”

On page 2398, delete the boxed text

On page 2399, delete the boxed text beginning with “education” and ending with “are hereby appropriated”

#### **Rural Healthcare Workforce Training and Retention Program**

This item would require the director of the Ohio Department of Medicaid to create the Rural Healthcare Workforce Training and Retention Program for fiscal years 2020 and 2021 under which a limited number of nonprofit hospital agencies and public hospital agencies may earn supplemental Medicaid payments for graduate medical education costs. Addressing the shortage of medical and allied health workforce, particularly in rural areas, is critical and worthy of broader stakeholder involvement. This provision, however, would financially benefit a select number of large, metropolitan hospital systems without any demonstrable, positive effect on the rural healthcare workforce. Therefore, this veto is in the public interest.

#### **ITEM NUMBER 11**

On page 6, delete the following boxed text “5161.107,”

On page 12, delete the following boxed text “5167.107,”

On page 1573, delete the boxed text beginning with “Sec. 5167.107. (A) . . .” and ending with “section 5162.07 of the Revised Code.”

#### **Adjustments in Medicaid Managed Care Capitation Rates**

This item requires the Ohio Department of Medicaid to seek approval from two separate legislative committees prior to adjusting capitation rates for managed care organizations. Managed care capitation rates are already developed in accordance with federal standards, actuarial requirements, and within state law and budget parameters. Additional steps will delay timely federal approval of the rates and implementation. Therefore, the veto is in the public interest.



## **ITEM NUMBER 12**

On page 2556, delete the boxed text beginning with “Section 701.55.” and ending with “June 30, 2021”.

### **Medicaid Auditing for FY 2020-FY 2023**

This item would require the Auditor of State audit Medicaid managed care organizations. The Auditor of State already has statutory authority to audit Ohio’s Medicaid managed care plans. This provision is a duplication of regulation. Therefore, veto of is in the public interest.

## **ITEM NUMBER 13**

On page 6, delete the following boxed text, “5119.39,”.

On page 12, delete the following boxed text, “5119.39,”.

On page 1474, delete the boxed text beginning with “Sec. 5119.39” and ending with “Revised Code:”.

On page 2411, delete the boxed text beginning with “Section 337.75” and ending with “Revised Code”.

### **Medication-Assisted Treatment Drug Reimbursement Program**

This item would create a program to reimburse counties for the costs of medication-assisted treatment for substance use disorders. Provisions within this item would disrupt and interfere with evidence-based community programs, funding for specialized dockets, and forensic evaluation services that are all long-standing and critical for the health and well-being of Ohioans engaged in the criminal justice system. Therefore, this veto is in the public interest.

## **ITEM NUMBER 14**

On page 2, delete the following boxed text, “3713.022, 3713.99,”.

On page 10, delete the following boxed text, “3713.022, 3713.99,”.

On page 961, delete the boxed text beginning with “Sec. 3713.022.” and ending with “a separate offense”.

On page 1923, delete the following boxed text, “3713.022, 3713.99,”.

### **Mesh Crib Liners**

This item would remove the prohibition and fines scheduled to take effect on April 6, 2020, on the manufacture, sale, delivery, or possession of mesh crib liners in absence of safety standards promulgated by the U.S. Consumer Product Safety Commission. Fifteen percent of the infant deaths reviewed by the commission were sleep-related, 71% of infant sleep-related deaths

were found to be preventable, and 88% percent of reviewed sleep-related deaths were for infants between 29 days and one year of age. Sleep-related deaths are often preventable by placing babies alone, on their backs, and in a safe crib. Additionally, this item is opposed by the American Academy of Pediatrics. Therefore, this veto is in the public interest.

#### **ITEM NUMBER 15**

On page 1, delete the following boxed text, “2151.3516, 2151.3532,”.

On page 9, delete the following boxed text, “2151.3516, 2151.3532,”.

On page 447, delete the boxed text beginning with “Sec. 2151.3516...”.

On page 448, delete the boxed text.

On page 449, delete the boxed text beginning with “(F)(6) Qualifications...and ending with placed in an incubator”.

On page 1922, delete the following boxed text, “2151.3516, 2151.3532,”.

#### **Newborn Safety Incubators**

This item would permit parents to anonymously surrender their newborn to facilities with unattended newborn safety incubators. Ohio currently allows for infants less than 30 days old to be anonymously surrendered to facilities with continuously attended newborn safety incubators, pursuant to R.C. 2151.3532. Unattended newborn safety incubators rely on technology to alert staff to respond to the child. Failed technology or a delay in staff response times could result in injury to the child, or even death. The risk of harm to our most vulnerable citizens is too great when newborn safety incubators are permitted to be unattended. Therefore, this veto is in the public interest.

#### **ITEM NUMBER 16**

On page 6, delete the following boxed text: “3317.28”

On page 12, delete the following boxed text: “3317.28”

On page 759, delete the boxed text beginning with “Sec. 3317.28”

On page 760, delete the boxed text beginning with “times”

#### **Per Pupil Funding Guarantee for Certain School Districts**

This item would guarantee a base amount of per-pupil funding to all public school districts. Ohio’s school funding system was designed to offer the most support to the districts that are least able to provide adequate services to their students. The districts that would benefit the most from this item are among the wealthiest in Ohio. Carving out a special exemption to provide additional resources to the districts most capable of providing resources for their students is not a responsible use of the limited funding available to Ohio’s school districts. Therefore, this veto is in the public interest.

## ITEM NUMBER 17

On page 2, delete the following boxed text: “3311.78” “3311.79” “3317.141” “3319.283” “3326.13”

On page 7, delete the following boxed text: “3319.074”

On page 9, delete the following boxed text: “3311.78” “3311.79” “3317.141” “3319.283” “3326.13”

On page 583, delete the following boxed text “~~(K)~~(J)”.

On page 596, delete the boxed text beginning with “~~The department shall include~~” and ending with “~~(K)~~”.

On page 597, delete the following boxed text “~~(L)~~(K)”.

On page 613, delete the boxed text beginning with “Sec. 3311.78.”.

On page 614, delete the boxed text

On page 615, delete the boxed text

On page 616, delete the boxed text ending with “consistent with this section”.

On page 751, delete the boxed text beginning with “Sec. 3317.141.”

On page 752, delete the boxed text beginning with “(C) The schedule shall” and ending with “determined by the board”.

On page 785, delete the boxed text beginning with “Sec. 3319.283.” and ending with “the individual’s right to teach”.

On page 790, delete the boxed text beginning with “Sec. 3326.13.” and ending with “physical education.”

On page 1922, delete the following boxed text: “3311.78” “3311.79” “3317.141” “3319.283” “3326.13”

On page 1924, delete the following boxed text: “3319.074”

On page 2594, delete the following boxed text: “3311.78” “3311.79” “3317.141” “3319.283” “3326.13” and “the repeal of this act of section 3319.074 of the Revised Code”.

### Properly Certified or Licensed Teachers

This item would eliminate the requirement that teachers and paraprofessionals in traditional school districts and STEM schools be properly certified or licensed by the Ohio Department of Education. Because teachers are the most important school-based factor impacting student achievement, it is essential to staff Ohio’s traditional public schools with well-prepared teachers. Proper licensure supports the success of students and educators. Ensuring that our children are learning from trained professionals supports a better education for every student. Therefore, this veto is in the public interest.

## ITEM NUMBER 18

On page 7, delete the boxed text beginning with “to amend sections 921.06 ...” and ending with “section 3301.165 of the Revised Code.”

Beginning on page 1925, delete the boxed text beginning with "Section 130.70" through the text ending with "any other association or organization" on page 2083.

### **Accredited Nonpublic Schools**

This item would allow nonpublic schools that are associated with a specific organization based in another state to operate without the oversight of the Ohio State Board of Education. All schools in Ohio operate under minimum operating standards established by the Ohio State Board of Education. The schools that would now be exempt from this requirement receive public funding to support the cost of compliance with these operating standards, which are focused on guaranteeing that every school meets a minimum threshold. Ohio has an interest in ensuring that schools receiving public dollars are providing an education that meets Ohio's standards, not those of an out of state organization. Therefore, this veto is in the public interest.

### **ITEM NUMBER 19**

On page 714, delete the following boxed text: "Not later than the thirty-first day of August"

### **Lists of Community School Closures and "Challenged" School Districts Where Community Schools May Be Located**

This provision requires the Department of Education to publish a list of community schools that are at risk of permanent closure for poor academic performance by August 31 each year. This list is determined by community schools' report cards, which are not issued until September 15. Any list published before report cards are completed would be based on preliminary data and subject to change. Publicly labeling a community school as subject to closure based on incomplete data creates uncertainty for students and parents. This list will still be published, but only after report card data is finalized. Therefore, this veto is in the public interest.

### **ITEM NUMBER 20**

On page 292, delete the boxed text beginning with "~~and~~ A taxpayer may..." and ending with "... the election shall continue to apply" and the boxed text beginning with "~~A~~ After the end..." and ending with "...may terminate an initial election, a".

### **State Administration of Municipal Income Taxes**

This item would allow a taxpayer to opt out of filing the net profits tax anytime within the first two years of opting in with the Tax Department. Currently, a taxpayer can already choose annually whether to stay in the program or go back to having local administration. Further, allowing a taxpayer to constantly opt in or out will lead to administrative problems for both the municipality and the Tax Department. Therefore, this veto is in the public interest.

## **ITEM NUMBER 21**

On page 473, delete the boxed text beginning with “(G) Division (B) of this section...” and ending with “to such a child.”

On page 500, delete the boxed text beginning with “(H) This section shall not...” and ending with “October 1, 2019.”

### **Legal Age for Person to Receive or Purchase Cigarettes**

This item would grandfather in an individual who was 18 years or older, on October 1, 2019, exempting them from the minimum age increase to purchase cigarettes. Most adult smokers begin smoking as teens, and most daily smokers begin doing so between the ages of 18 and 21. Exempting current 18 through 20 year-old individuals from the minimum age increase to purchase tobacco products could result in more of these individuals using tobacco products daily, reducing their life expectancy, and increasing Ohio’s long-term healthcare costs. Furthermore, this loophole will create a substantial administrative burden for businesses tasked with upholding the law. Therefore, this veto is in the public interest.

## **ITEM NUMBER 22**

On page 1693, delete the following boxed text “technology platform that connects a consumer with another person who is providing a service subject to the tax levied under this chapter, including a transportation network company or a” and “operating a technology platform for the purpose of providing transportation network company services or peer-to-peer car sharing program services,” and “in such transaction, regardless of whether that other person is an agent of the”.

On page 1694, delete the boxed text “operator”.

On page 1707, delete the boxed text ““Transportation network company” and “transportation network company services” have the same meanings as in section 3942.01 of the Revised Code.”.

### **Sales tax on transportation network companies**

This item merely clarified current law, which requires that transportation network companies collect and remit sales tax. After being unable to agree on language, both chambers agreed that this provision was to be removed in Conference Committee; however, the amendment that was accepted did not achieve that result. Therefore, this veto is in the public interest.

## **ITEM NUMBER 23**

On page 7, delete the boxed text “5709.54,”.

On page 12, delete the boxed text “5709.54,”.

On page 1648, delete boxed text starting with “Sec. 5709.54. (A)...” and continuing to the end of the page.

On page 1649, delete the boxed text.

On page 1650, delete the boxed text beginning with “pre-residential development ...” and ending with “to the parcel.”

### **Exemption of Residential Development Property (Effective Date 91st Day)**

This item would require that agricultural property subdivided into residential units be valued at a rate other than market value. This language would impact income to local governments, impact existing development agreements, and impact the ability of a local government to create economic development agreements for their region. Further, it would incentivize subdividing the land long before a developer was ready to build. Therefore, this veto is in the public interest.

### **ITEM NUMBER 24**

On page 5, delete the following boxed text, “323.18,”

On page 11, delete the following boxed text, “323.18,”

On page 233, delete the boxed text “323.18,”.

On page 240, delete the boxed text “,” and “and 323.18”

On page 242, delete the boxed text beginning with “Sec. 323.18...” and continuing to the end of the page.

On page 243, delete the boxed text beginning with “amount of the exemption...” and ending with “funds.”

On page 2593, delete the boxed text “, and 323.18”.

### **School District Property Tax Reduction for Certain Property**

This item would provide a property tax reduction for a subset of people within a school district based upon a formula. This would result in the disparate collection of property taxes depending upon whether someone in an affected school district lives in a village. It is inequitable to treat taxpayers with similar property values in the school district differently as a result of where they live. As a result of this reduction, it would cap the amount of money that a school district would be able to raise by passing an operating levy. Therefore, this veto is in the public interest.

### **ITEM NUMBER 25**

On page 7, delete the boxed text beginning with “to amend sections 133.18,...” and ending at the bottom of the page”.

On page 8, delete the boxed text beginning with “1545.041, 1545.21...” and ending with “and 5748.09 of the Revised Code;”.

On page 2083, delete the boxed text beginning with “SECTION 130.80. That sections...” and ending at the bottom of the page”.

On pages 2084 to 2219, delete the boxed text.

On page 2220, delete the boxed text beginning at the top of the page and ending with "...effective dates of those sections."

### **Property Tax Notices and Ballot Language**

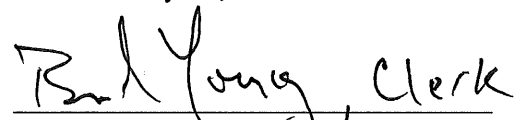
This item would change the way a property tax levy is described on a ballot. The goal of this item is to increase transparency for property tax levy ballot language. However, the change will be difficult for county auditors to implement, and the required ballot language may seem confusing and contradictory. Therefore, this veto is in the public interest.

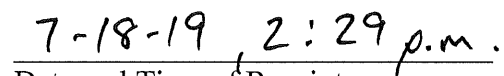


IN WITNESS WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed at Columbus this 18th day of July, Two Thousand Nineteen.

  
Mike DeWine, Governor

This will acknowledge the receipt of a copy of this veto message of Amended Substitute House Bill 166 that was disapproved in part by Governor Mike DeWine on July 18, 2019.

  
Name and Title of Officer

  
Date and Time of Receipt