Governor Kasich Signs HB 26—Towing amendment, Call Before You Mandate
Governor Kasich signed HB 26 on Friday, March 31, 2017. HB 26 contains OII supported language to amend R.C. 4513.70 to add “storage facility” to the entities the action may be brought against and the Call Before You Mandate requirement which will require state agencies to conduct a diligent search prior to mandating insurance, surety bond, or other financial assurance requirements as a condition of licensure. These provisions will be effective on or about June 29, 2017.

The Governor elected to line-item veto the creation of the Smart Transportation Advisory Action Team (“STAAT”). STAAT was proposed to review, evaluate, and make recommendation to the General Assembly regarding the use of public money for smart transportation initiatives commenced or operated by ODOT, JobsOhio, and any public university in Ohio. Inside the scope of the STAAT is autonomous vehicle technology and traffic control. Governor Kasich stated in his veto message that the STAAT “creates a bureaucratic barrier that in effect will slow research in transportation technology.” The Governor also stated that such an oversight committee may negatively impact federal funds and private investment. The Governor has traditionally opposed advisory committees, study committees, and the like. The Governor has shown a significant commitment to transportation technology—and will likely continue to do so in the balance of his term.

The OII submitted an amicus brief in support of the proposition that long-standing Ohio law prohibits punitive damages for breach of contract and that “Prevention-of-performance” is not a defense to the enforcement of a party’s executed releases of liability. On Wednesday, April 5, 2017 the parties presented oral arguments before the Supreme Court of Ohio. It will be several months before a decision is rendered in this important case. This case is one of several cases in which the OII has participated by submitting an amicus brief. You can watch the oral arguments here.

State Budget Revenue Estimates Likely to be Revised Downward
Tim Keen, Director of the Ohio Office of Budget and Management (“OBM”) testified before the Senate Finance Committee this week. The main takeaway from his testimony is that estimated revenues for the current biennium (ending June 30, 2017) are currently underperforming by $641 million or 3.7%. Director Keen reported that this will likely result in a downward revenue projection for the next biennium. The State of Ohio will be able to manage the current biennium shortfall by various cash management methods as well as taking advantage of underspending in several areas.

This is important to the business community. When revenue estimates are dramatically different than originally anticipated, the budget process becomes even more unpredictable—particularly when the conference committee takes up deliberation in June.

Director Froment Officially Sworn in as Director of the Department of Insurance
Last week, Governor Kasich announced that Lt. Governor Mary Taylor was stepping down and that he was appointing then-Deputy Director Jillian Froment. On Thursday, April 6, 2017, Director Jillian Froment was officially sworn in at the Governor’s Statehouse Office. The Governor’s press release thanked Lt. Governor Taylor for her service and called Director Froment “a capable and well-prepared leader of the department.”
Governor Kasich Delivers State of the State Address in Sandusky, OH
The Governor delivered his annual state of the state address in Sandusky, OH. In previous administrations, the state of the state address was delivered in the Ohio House Chambers in Columbus. The Governor has taken the speech to various locations around the state. If you are interested in watching the speech—warning it is about 90 minutes long—here is the link.

Ohio General Assembly on Spring Recess
The Ohio House and Ohio Senate will be on recess likely for the next two weeks. During this time, the House will be finalizing their deliberations on the state operating budget.