Medicaid MCOs Sales Tax Replacement

Impact on Ohio Counties

February 22, 2017

Board of Mahoning County Commissioners

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County Commissioners

David C. Ditzler • Carol Rimedio-Righetti • Anthony T. Traficanti

Clerk of the Board

Nancy M. Laboy

February 22, 2017

The Honorable Ryan Smith, House Finance Chairman
The Honorable Scott Oelslager, Senate Finance Chairman
1 Capital Square
Columbus, Ohio 43215

Dear Honorable Smith & Honorable Oelslager:

As you know, the looming changes to the Medicaid Managed Care (MCO) sales tax will cause a significant revenue shortfall for the state, counties and transit authorities. In 2016, this tax represented $209 million (8.2%) of all county and transit authority sales tax collections and $558 million in State collections. This represents a combined $767 million impact to State and Local governments.

The MCO's sales tax revenue not only helped to stabilize the State's budget, it also provided needed stability to local governments at a time when other revenue sources were either being phased out or rigorously declining as a result of the economic downturn that started in 2009. The MCO's sales tax collections received by the State and local governments were not excess resources that supported new programs and/or initiatives. The MCO's unrestricted resources went to provide stability to current mandated services for local governments as well as the State.

In Mahoning County, the Criminal & Administrative Justice System (43%) and Judicial System (30%) made up a combined 73% of expenditures for the General and Justice Funds in FY 2016 as detailed in Exhibit A. Sales Tax revenues made up 66% of resources for these funds. A significant reduction in sales tax revenues will have a direct impact to the Judicial and Criminal Justice Systems in Mahoning County and every County in the State of Ohio.

Governor Kasich's FY2018/19 budget proposal fully replaces the loss of MCO's sales tax revenue to the State for current and future budget cycles, but only provides Counties a one-time allocation that ranges from approximately 3 months to a year or more of the forgone revenue. Temporary reimbursement to Counties for State cuts is a consistent mechanism that has been used in the past. In order to address the loss, Counties had to react in covering revenues by cutting services, laying-off staff, and/ or increasing local taxes. This has happened with the Tangible Personal Property Tax, the Public Utility Tax, the Local Government Funds, Inheritance Tax and the Severance Tax.

On average, permissive sales tax revenue represents over 50% of a County's General Revenue Fund and is the life line of important Public Safety, Juvenile, and Judicial Services, especially in areas where needs are growing due to the opiate epidemic. In Mahoning County, the sales tax is accountable for 94% of our Criminal & Administrative Justice Fund and 45% of the General Fund revenues. Mahoning County has grown from a 47% sales tax dependency to a 66% dependency for these mandated services as outlined in Exhibit B. These services are an extension of the State mandates and enforcement requirements.

Counties value our partnership with the State, which allows us to administer programs that serve our collective constituents. However, the proposal included in the Governor's budget undermines the fiscal stability of county revenues and services to meet the needs for this collaboration.

Please see the Resolutions from Mahoning County and supporting Counties included with this letter, which calls for Ohio to develop a plan that provides equal treatment for the state and counties in the FY18/19 budget and encourages a long term solution for everyone who is affected.

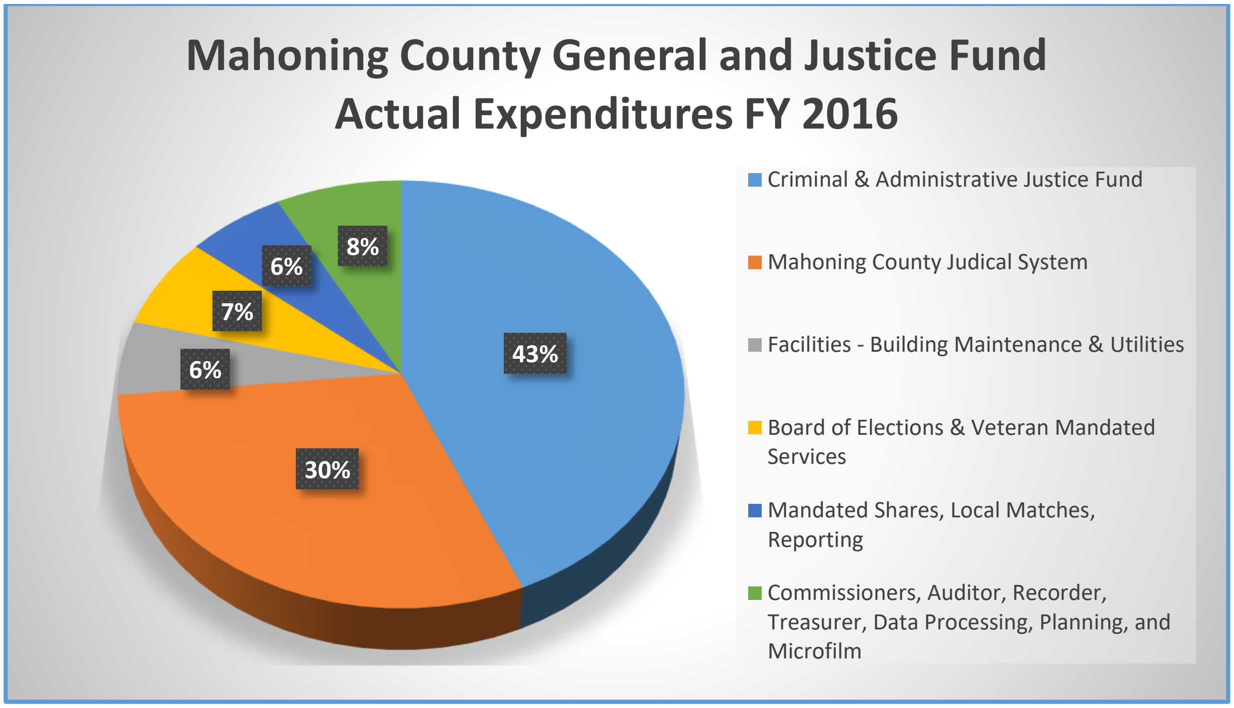
Sincerely,

BOARD OF MAHONING COUNTY COMMISSIONERS

David C. Ditzler President	Anthony T. Traficanti Vice-President	Carol Rimedio-Righetti Commissioner

Attachments

Exhibit A

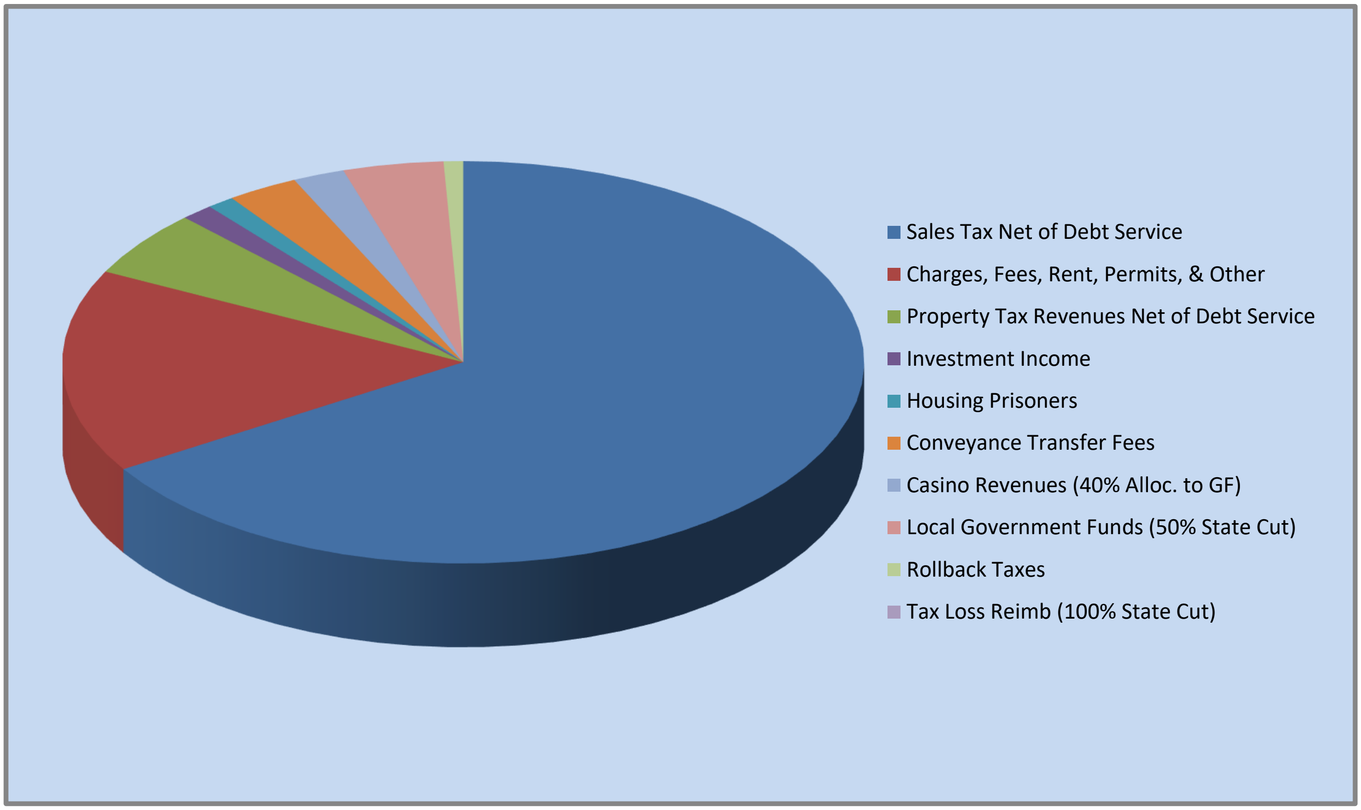


County level services supported by General and Justice Fund Revenues include:

- The Mahoning County Criminal & Administrative Justice:
    - Sheriff Operations which includes the County Jail, road patrol and enforcement on county roads, mutual aid to Federal, State, and local governments, multi-task force collaborations, court security, serving summons, and many other services provided or enforced by the state and local governments. This is in addition to the oversight of the County's 911 Operations.
    - The Mahoning County Prosecutor's Office – Criminal and Civil Divisions which include local government support and participation in State and Federal Task Forces. Criminal prosecution and enforcement of federal, state, and local laws.
    - The Mahoning County Coroner's Office
- Providing support for County Judicial system:
    - Courts, which includes Common Pleas, Domestic Relations, Probate, County Area Courts, and the County's mandated share of Municipal Courts.
    - Juvenile Court, probation, and detention.
    - Clerk of Courts serving all courts with the exception of Juvenile Court which is a full service court system.
    - Indigent defense
- Facilities include building maintenance, utilities, and custodial services
- Board of Elections and Veteran Services:
    - Mandated services – ORC funding requirements
- Mandated Services, Local Matches, & Reporting:
    - Match funding for Ohio State Extension; Soil & Water Conservation District; Emergency Management Services; Bureau for Medically Handicapped Children (BCMH); County Indirect Cost Recovery and other countywide contractual services; Unemployment, Bond Council, and State Local Government Services and Financial Auditors.
- Other Departments as listed provide direct services to citizens or are supporting departments for all funds.

Exhibit B

MAHONING COUNTY GENERAL FUND HISTORY
FISCAL YEAR 2016 REOCCURRING REVENUES COMPARED TO BASE YEAR 2008
FISCAL YEARS 2008 AND FY 2016 ACTUAL ADJUSTED BASE REVENUES



Adjusted Reoccurring Revenues Sources	FY 2008 Adj.	Alloc. %	FY 2016 Adj.	Alloc. %	Change	Chng%	
Sales Tax Net of Debt Service	$ 28,259,168.17	47.06%	$ 43,429,077.00	66.1%	$ 15,169,908.83	53.7%	(1)
Charges, Fees, Rent, Permits, & Other	11,265,482.62	18.76%	10,747,296.01	16.3%	(518,186.61)	-4.6%	(2)
Property Tax Revenues Net of Debt Service	3,344,873.03	5.57%	3,505,137.00	5.3%	160,263.97	4.8%	
Investment Income	3,619,847.22	6.03%	861,430.63	1.3%	(2,758,416.59)	-76.2%	(2)
Housing Prisoners	4,667,003.32	7.77%	730,840.77	1.1%	(3,936,162.55)	-84.3%	(2)
Conveyance Transfer Fees	1,743,472.30	2.90%	1,890,392.70	2.9%	146,920.40	8.4%	
Casino Revenues (40% Alloc. to GF)	-	0.00%	1,373,424.51	2.1%	1,373,424.51	n/a	
Local Government Funds (50% State Cut)	5,490,456.71	9.14%	2,666,348.53	4.1%	(2,824,108.18)	-51.4%	(3)
Rollback Taxes	1,089,132.43	1.82%	516,624.96	0.8%	(572,507.47)	-52.6%	(3)
Tax Loss Reimb (100% State Cut)	568,744.21	0.95%	-	0.0%	(568,744.21)	-100.0%	(3)
Total Adjusted Reoccurring Revenues	**$ 60,048,180.01**	**100.00%**	**$ 65,720,572.11**	**100.00%**	**$ 5,672,392.10**	**9.4%**	

Note:

Adj. = Adjusted reoccurring revenues exclude revenues from Stabilization Reserve and policy changes.

(1) In November 2014 the County voters approved an additional 1/4% sales tax attached to a renewal of 1/2% for Criminal and Administrative Services.

(2) Revenue source declined with economic downturn and/ or changes or cancellation of contractual agreements with the Federal Government.

(3) State reductions and phase out and/ or reduction of revenue allocations to Counties.

Impact to Ohio Counties

County Resolutions and letters in Support of the funding Stability for Local Governments and Parity Treatment from State Legislators

PERMISSIVE COUNTY AND TRANSIT AUTHORITY MEDICAID HEALTH INSURING CORPORATION SALES TAX AS COMPARED TO TOTAL PERMISSIVE SALES TAXES DISTRIBUTED BY CALENDAR YEAR
CY 2016

County	CY 2016 MHIC County Permissive Sales & Use Tax Distributed	CY 2016 Total County Permissive Sales & Use Tax Distributions	MHIC/Total	Resol./ Letter Included
Adams	$ 688,916	$ 4,269,519	16.1%	
Allen	$ 982,173	$ 17,258,709	5.7%	
Ashland	$ 404,988	$ 8,048,129	5.0%	
Ashtabula	$ 1,131,635	$ 10,835,143	10.4%	Yes
Athens	$ 798,786	$ 8,453,388	9.4%	
Auglaize	$ 377,945	$ 8,942,920	4.2%	
Belmont	$ 970,588	$ 17,758,695	5.5%	
Brown	$ 760,893	$ 5,595,423	13.6%	
Butler	$ 3,025,633	$ 43,889,639	6.9%	
Carroll	$ 224,811	$ 2,905,734	7.7%	Yes
Champaign	$ 450,671	$ 5,512,342	8.2%	
Clark	$ 3,199,618	$ 25,613,745	12.5%	
Clermont	$ 1,853,665	$ 27,549,537	6.7%	
Clinton	$ 832,766	$ 8,923,894	9.3%	
Columbiana	$ 2,108,371	$ 16,427,806	12.8%	
Coshocton	$ 600,029	$ 5,770,734	10.4%	
Crawford	$ 679,440	$ 5,910,625	11.5%	
Cuyahoga	$ 29,584,102	$ 273,819,590	10.8%	
Darke	$ 493,090	$ 8,821,272	5.6%	
Defiance	$ 296,506	$ 5,896,225	5.0%	Yes
Delaware	$ 875,641	$ 54,819,550	1.6%	
Erie	$ 612,670	$ 15,916,597	3.8%	
Fairfield	$ 1,342,581	$ 20,997,798	6.4%	Yes
Fayette	$ 585,189	$ 9,208,962	6.4%	
Franklin	$ 22,401,968	$ 302,530,660	7.4%	
Fulton	$ 481,398	$ 7,727,931	6.2%	
Gallia	$ 579,209	$ 5,041,372	11.5%	Yes
Geauga	$ 408,199	$ 14,439,777	2.8%	
Greene	$ 1,432,025	$ 26,784,465	5.3%	
Guernsey	$ 713,679	$ 8,286,550	8.6%	Yes
Hamilton	$ 13,939,228	$ 200,991,342	6.9%	Yes
Hancock	$ 461,939	$ 14,827,711	3.1%	
Hardin	$ 389,266	$ 4,405,796	8.8%	
Harrison	$ 237,909	$ 3,860,428	6.2%	
Henry	$ 220,784	$ 4,157,861	5.3%	
Highland	$ 821,714	$ 6,812,711	12.1%	
Hocking	$ 498,051	$ 4,296,208	11.6%	
Holmes	$ 142,163	$ 7,516,794	1.9%	
Huron	$ 722,696	$ 9,850,695	7.3%	
Jackson	$ 723,688	$ 5,669,383	12.8%	
Jefferson	$ 1,270,508	$ 12,494,373	10.2%	Yes

County	CY 2016 MHIC County Permissive Sales & Use Tax Distributed	CY 2016 Total County Permissive Sales & Use Tax Distributions	MHIC/Total	Resol./ Letter Included
Knox	$ 475,470	$ 6,996,796	6.8%	
Lake	$ 1,744,510	$ 36,896,883	4.7%	
Lawrence	$ 1,382,642	$ 9,103,469	15.2%	
Licking	$ 1,947,960	$ 34,887,899	5.6%	
Logan	$ 598,668	$ 10,417,216	5.7%	
Lorain	$ 2,296,364	$ 29,539,725	7.8%	
Lucas	$ 11,007,490	$ 106,098,656	10.4%	
Madison	$ 487,089	$ 6,695,253	7.3%	
Mahoning	$ 4,748,296	$ 43,510,523	10.9%	Yes
Marion	$ 1,193,010	$ 12,294,546	9.7%	Yes
Medina	$ 960,062	$ 25,819,103	3.7%	
Meigs	$ 560,235	$ 2,705,704	20.7%	
Mercer	$ 274,227	$ 8,142,721	3.4%	
Miami	$ 848,953	$ 17,866,977	4.8%	
Monroe	$ 228,684	$ 3,241,759	7.1%	
Montgomery	$ 9,100,583	$ 82,991,923	11.0%	
Morgan	$ 270,676	$ 1,741,248	15.5%	
Morrow	$ 467,710	$ 3,942,166	11.9%	
Muskingum	$ 1,635,990	$ 20,013,781	8.2%	
Noble	$ 167,770	$ 1,632,770	10.3%	
Ottawa	$ 452,924	$ 8,316,384	5.4%	
Paulding	$ 215,940	$ 2,075,799	10.4%	
Perry	$ 635,982	$ 4,151,821	15.3%	
Pickaway	$ 932,932	$ 8,626,202	10.8%	
Pike	$ 737,148	$ 4,972,698	14.8%	
Portage	$ 1,611,074	$ 24,862,158	6.5%	Yes
Preble	$ 536,859	$ 5,769,536	9.3%	
Putnam	$ 189,586	$ 4,296,333	4.4%	
Richland	$ 1,665,227	$ 25,192,610	6.6%	
Ross	$ 1,550,333	$ 16,096,766	9.6%	
Sandusky	$ 712,411	$ 11,307,026	6.3%	Yes
Scioto	$ 1,972,699	$ 12,525,864	15.7%	
Seneca	$ 668,375	$ 8,705,846	7.7%	Yes
Shelby	$ 447,413	$ 10,161,895	4.4%	Yes
Stark	$ 2,330,162	$ 29,209,004	8.0%	
Summit	$ 3,558,866	$ 46,344,338	7.7%	
Trumbull	$ 2,687,275	$ 26,313,621	10.2%	
Tuscarawas	$ 674,360	$ 13,027,580	5.2%	Yes
Union	$ 438,979	$ 13,046,322	3.4%	
Van Wert	$ 291,835	$ 4,449,663	6.6%	
Vinton	$ 338,659	$ 1,398,545	24.2%	
Warren	$ 1,256,228	$ 38,848,104	3.2%	
Washington	$ 795,738	$ 13,142,840	6.1%	
Wayne	$ 779,687	$ 11,745,143	6.6%	
Williams	$ 426,690	$ 5,912,236	7.2%	
Wood	$ 835,404	$ 20,984,098	4.0%	Yes
Wyandot	$ 192,488	$ 3,860,638	5.0%	
County Permissive Subtotal	**$ 165,656,793**	**$ 2,092,722,221**	**7.9%**	

Transit Authority	CY 2016 MHIC Transit Authority Permissive Sales & Use Tax Distributed	CY 2016 Total Transit Authority Permissive Sales & Use Tax Distributions	MHIC/Total
Greater Cleveland Regional Tra	$ 23,667,282	$ 218,749,850	10.8%
Central Ohio Regional Transit A	$ 8,997,130	$ 130,651,428	6.9%
Laketran Transit Authority	$ 436,128	$ 9,259,352	4.7%
Western Reserve Transit Autho	$ 951,305	$ 8,700,361	10.9%
Greater Dayton Regional Transi	$ 4,550,291	$ 41,441,781	11.0%
Portage Area Regional Transit A	$ 342,222	$ 5,250,706	6.5%
Stark Area Regional Transit Aut	$ 1,165,081	$ 14,595,763	8.0%
Metro Regional Transit Authority	$ 3,558,866	$ 46,205,876	7.7%
Transit Authority Permissive Subtotal	**$ 43,668,305**	**$ 474,855,116**	**9.2%**
Grand Total	**$ 209,325,099**	**$ 2,567,577,337**	**8.2%**

Source: CCAO

Legend:

Highlighted Counties have responded to the Mahoning County to support a collaborative effort in communicating this to the State. This respresents responses as of 2/17/2017. Other Counties are also working in their area and meeting with their State Legislators.

RESOLUTION NUMBER 2017-65 URGING STATE AND FEDERAL LEGISLATORS TO TAKE IMMEDIATE ACTION TO ADDRESS THE ELIMINATION OF MEDICAID MCO SALES TAX FROM COUNTY GOVERNMENTS

The Board of County Commissioners of Ashtabula County, Ohio, met on the 31st day of January, 2017, in regular session at the offices of Offices of Jefferson Township, 335 E. Erie St., Jefferson, Ohio, with the following members present: Casey R. Kozlowski, Kathryn Whittington, J. P. Ducro IV.

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in addition to the 1.0 percent health insuring corporation (HIC) tax; and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be impermissible leaving the State to find a replacement tax; and

WHEREAS, subsequently the State broadened the Medicaid MCOs' sales tax base with HB1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB59 in SFY 2014-2015, which provided additional revenues for State and local governments; and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicaid Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the potential impact to Ashtabula County is the reduction in sales tax revenues, which are an amount estimated to be $400,000 for the 2017 budget year and $1.2 million for the 2018 budget year; and

WHEREAS, such a reduction will have a negative impact to Ashtabula County, which needs stable revenues to ensure that a balanced budget be adopted that will address the most basic needs and services; and

WHEREAS it is imperative that the State provide a stable base of revenue for local governments to avoid the elimination of essential and mandated services to Ashtabula County residents; now

THEREFORE, BE IT RESOLVED, By the Board of Commissioners of Ashtabula County, Ohio, that we hereby urge State legislators to take immediate action against the potential loss of sales tax revenues associated with the Medicaid Manage Care Organization (MCO) sales tax by passing state legislation that will equally tax all MCO organizations, or to facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

BE IT FURTHER RESOLVED, The Board urges State legislators to develop a long-term plan to continue the preservation of this revenue for local governments

MOTION: Whittington moved the adoption, Ducro seconded. **DISCUSSION:** Commissioner Kozlowski explained the phase out of the tax. We generally collect the tax 2 months behind, realize a loss of $400,000 if there is not legislative fix of this revenue. The governor has proposed a short term solution. This resolution will be sent to state legislators for action and hopefully a permanent solution. Options- Governor is talking about taxing Medicaid in a different manner, that would be in compliance with the federal government, but only in 2017 and 2018, then in 2019 the state will take the revenue. The loss to the General fund is 10.5% of our budget, which is a huge impact to the county. Our State Representative and State Senator are aware of the issue.

VOTE: Yeas: Kozlowski, Whittington, Ducro **Nays:** None **Abstained:** None **Absent:** None

Whereupon the resolution was declared passed unanimously.

CERTIFICATE

This is to certify that I, Lisa Hawkins, as Clerk of the Board of County Commissioners of Ashtabula County, Ohio has compared the foregoing copy of the **RESOLUTION NUMBER 2017-65** with the original resolution now on file in this office, which was duly passed by the board of Commissioners of said County of Ashtabula on the January 31, 2017; and that the same is a correct and true copy of said resolution.

In witness whereof, I have hereunto set my hand this 31st day of January, 2017.

Lisa Hawkins

Lisa Hawkins, Clerk of the Board of Ashtabula County Commissioners'

RESOLUTION #2017-10

A RESOLUTION URGING STATE LEGISLATORS TO TAKE IMMEDIATE ACTION AS PART OF THE BIENNIAL BUDGET PROCESS TO PROTECT COUNTIES AND TRANSIT AUTHORITIES AGAINST THE LOSS OF MEDICAID MANAGED CARE ORGANIZATION (MCO) SALES TAX REVENUE

WHEREAS, Carroll County has been delegated a wide array of critical services to perform on behalf of the state,

WHEREAS, a series of state policy decisions and economic conditions have led to a period of ongoing fiscal challenges for Carroll County,

WHEREAS, Carroll County has experienced a growing reliance on sales tax revenue as a result,

WHEREAS, Carroll County learned during the summer of 2016 that the amount of sales tax revenue attributed to the Medicaid managed care sales tax is $222,446 in Carroll County,

WHEREAS, the SFY 2018-2019 Executive State Budget proposes disparate treatment for state and counties by recommending to fully replace forgone state sales tax and Medicaid matching dollars for the next biennium while providing counties/transit authorities with a one-time allocation that ranges from approximately 3 months to a year or more of the foregone revenue,

WHEREAS, the solution put forth in the executive budget treats the state and counties disparately and that what is needed is an equitable solution,

NOW, THEREFORE, BE IT RESOVLED, that the Board of Carroll County Commissioners hereby urge the Ohio General Assembly to take immediate action against the potential loss of approximately $222,446 of sales tax revenues associated with the Medicaid MCO sales tax by adopting an equitable solution that addresses the funding needs of the stat and counties on a continuing basis,

RESOLVED FURTHER that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board which resulted in this formal action were taken in meetings open to the public in full compliance with applicable legal requirements, including ORC 121.22.

Mr. Wirkner moved for the adoption of the preceding Resolution;
Mr. Mickley seconded the motion.

Upon call of the roll the vote was recorded as follows:
Mr. Mickley, Yes; Mr. Wirkner, Yes; Mr. Ohler, Yes.

Motion carried on unanimous vote. Resolution adopted this 16 day of February, 2017.

ATTEST:

[X] Christopher R. Modranski, Assistant Clerk I
[ ] Valerie S. Mossor, Assistant Clerk II
[ ] Janice E. Leggett, Clerk Supervisor

BOARD OF COMMISSIONERS
OF CARROLL COUNTY

Jeffrey L. Ohler, President

Robert E. Wirkner, Vice President

Lewis A. Mickley, Commissioner

Proposed transitional aid to counties and transit authorities in response to the termination of sales tax on Medicaid Health Insuring Corporations (MHICs)

To provide assistance to help counties and transit authorities manage through the loss of this sales tax, the executive budget contains a transitional support payment proposal. It consists of two components; a calculated replacement payment intended to cover the last quarter of CY 2017, and a formula based payment intended to distribute transitional support above amounts we have determined would be reasonable for counties and transit authorities to absorb based on their reliance on the managed care sales tax and on their local sales tax capacity. The calculation of both types of aid is explained in detail in an accompanying document.

The transitional formula aid amount is computed as if it is provided over the upcoming years, reflecting the portion of MHIC sales tax revenue the jurisdiction is not able to reasonably absorb in each year. However, the state payment will actually be made a lump sum in the second half of October, 2017. The executive budget requires that each county or transit authority set up a special fund to receive the state payment. The county or transit authority's governing body must pass a resolution to transfer the money to any fund that receives sales tax money. The money can be transferred at any time, either all at once or over a period of years to facilitate a smooth transition.

Note that a jurisdiction whose MHIC reliance percentage is below its assigned annual incremental absorption rate does not receive formula aid, although it will still receive the one quarter calculated replacement payment. In contrast, jurisdictions with a large difference between their MHIC reliance and their annual absorption rate may receive aid equal to several years' worth of their annual MHIC sales tax revenue, as shown in the column that computes the ratio of transitional aid to average annual MHIC sales tax revenue.

Jurisdiction	Calculated CY 2017 4th quarter replacement aid amount	"Formula" aid amount	**Total Transitional Aid Amount**	Ratio of Total Transitional Aid to average annual MHIC sales tax revenue	Average annual MHIC sales tax revenue (a)	MHIC reliance percentage (County's MHIC sales tax as % of county's total sales tax)	County's per capita sales tax base as % state average (b)	Assigned annual incremental absorption rate (lesser of 4%, or 4% multiplied by entity's per capita tax base as % of state avg)
Adams	$172,834	$2,165,628	**$2,338,462**	3.38	$691,336	16.51%	56.9%	2.28%
Allen	$236,153	$263,365	**$499,518**	0.53	$944,611	5.55%	105.4%	4.00%
Ashland	$98,458	$149,207	**$247,665**	0.63	$393,831	5.02%	78.1%	3.12%
Ashtabula	$281,165	$1,672,540	**$1,953,705**	1.74	$1,124,661	10.47%	66.0%	2.64%
Athens	$205,844	$1,155,626	**$1,361,470**	1.65	$823,374	9.81%	65.2%	2.61%
Auglaize	$93,071	$71,808	**$164,879**	0.44	$372,282	4.22%	85.3%	3.41%
Belmont	$249,614	$264,081	**$513,695**	0.51	$998,456	5.44%	114.5%	4.00%
Brown	$190,993	$2,417,699	**$2,608,692**	3.41	$763,973	14.09%	48.3%	1.93%
Butler	$759,609	$1,371,611	**$2,131,220**	0.70	$3,038,436	7.20%	98.8%	3.95%
Carroll	$55,612	$166,584	**$222,196**	1.00	$222,446	6.93%	72.2%	2.89%
Champaign	$113,583	$582,749	**$696,332**	1.53	$454,331	8.21%	58.8%	2.35%
Clark	$798,957	$5,273,057	**$6,072,014**	1.90	$3,195,827	12.64%	74.2%	2.97%
Clermont	$465,882	$919,273	**$1,385,155**	0.74	$1,863,529	6.95%	88.1%	3.52%
Clinton	$139,318	$509,183	**$648,501**	1.16	$557,270	9.61%	86.9%	3.48%
Columbiana	$530,667	$4,381,345	**$4,912,012**	2.31	$2,122,669	12.77%	62.4%	2.50%
Coshocton	$153,365	$942,017	**$1,095,382**	1.79	$613,459	10.59%	65.2%	2.61%
Crawford	$174,937	$1,572,715	**$1,747,652**	2.50	$699,749	11.93%	54.8%	2.19%
Cuyahoga	$6,325,522	$18,715,670	**$25,041,192**	0.99	$25,302,086	9.52%	104.7%	4.00%
Darke	$127,088	$267,664	**$394,752**	0.78	$508,350	5.84%	71.8%	2.87%
Defiance	$73,925	$68,947	**$142,872**	0.48	$295,699	5.11%	98.0%	3.92%
Delaware	$223,143	$0	**$223,143**	0.25	$892,573	1.68%	167.6%	4.00%
Erie	$152,337	$0	**$152,337**	0.25	$609,346	3.87%	136.7%	4.00%
Fairfield	$326,891	$541,700	**$868,591**	0.66	$1,307,564	6.32%	92.4%	3.70%
Fayette	$148,482	$243,860	**$392,342**	0.66	$593,928	6.79%	130.5%	4.00%
Franklin	$5,174,242	$8,927,521	**$14,101,763**	0.68	$20,696,969	7.03%	131.1%	4.00%
Fulton	$122,163	$246,211	**$368,374**	0.75	$488,652	6.32%	78.8%	3.15%
Gallia	$146,482	$804,294	**$950,776**	1.62	$585,929	11.72%	79.5%	3.18%
Geauga	$104,067	$0	**$104,067**	0.25	$416,266	2.92%	103.2%	4.00%
Greene	$345,435	$336,339	**$681,774**	0.49	$1,381,738	5.29%	106.7%	4.00%
Guernsey	$180,437	$370,029	**$550,466**	0.76	$721,749	7.89%	97.7%	3.91%
Hamilton	$3,506,137	$6,105,688	**$9,611,825**	0.69	$14,024,548	7.08%	127.8%	4.00%
Hancock	$116,906	$0	**$116,906**	0.25	$467,622	3.22%	130.9%	4.00%
Hardin	$97,697	$564,856	**$662,553**	1.70	$390,788	8.92%	57.8%	2.31%
Harrison	$60,658	$61,971	**$122,629**	0.51	$242,632	5.37%	125.1%	4.00%
Henry	$57,905	$158,971	**$216,876**	0.94	$231,619	5.73%	62.7%	2.51%
Highland	$203,618	$1,599,031	**$1,802,649**	2.21	$814,470	12.23%	62.3%	2.49%
Hocking	$124,398	$858,053	**$982,451**	1.97	$497,590	12.08%	68.7%	2.75%
Holmes	$35,327	$0	**$35,327**	0.25	$141,307	1.93%	117.9%	4.00%
Huron	$181,417	$600,344	**$781,761**	1.08	$725,668	7.32%	71.6%	2.86%
Jackson	$184,936	$1,443,807	**$1,628,743**	2.20	$739,743	13.23%	67.8%	2.71%
Jefferson	$324,211	$1,393,647	**$1,717,858**	1.32	$1,296,844	9.85%	79.1%	3.16%
Knox	$121,554	$351,238	**$472,792**	0.97	$486,217	6.97%	74.2%	2.97%
Lake	$417,800	$223,163	**$640,963**	0.38	$1,671,199	4.62%	104.6%	4.00%
Lawrence	$350,558	$4,106,690	**$4,457,248**	3.18	$1,402,233	15.52%	56.8%	2.27%
Licking	$502,722	$823,175	**$1,325,897**	0.66	$2,010,889	5.98%	88.3%	3.53%
Logan	$154,156	$250,597	**$404,753**	0.66	$616,622	6.28%	93.2%	3.73%
Lorain	$591,437	$1,833,646	**$2,425,083**	1.03	$2,365,747	8.11%	82.7%	3.31%
Lucas	$2,713,996	$9,344,604	**$12,058,600**	1.11	$10,855,984	10.38%	98.6%	3.94%
Madison	$125,275	$409,624	**$534,899**	1.07	$501,099	7.76%	76.4%	3.06%

BOARD OF DEFIANCE COUNTY COMMISSIONERS

RESOLUTION: IN THE MATTER OF: REQUEST FOR ACTION BY LEGISLATORS REGARDING SALES TAX ASSOCIATED WITH MEDICAID MANAGED CARE ORGANIZATION

DATE: THURSDAY, FEBRUARY 2, 2017

The Board of Commissioners, County of Defiance, State of Ohio met in regular session on the above date in the Defiance County Commissioners' Conference Room with the following members present:

Ryan Mack: PRESENT Michael Pocratsky: PRESENT Gary L. Plotts: PRESENT

Commissioner PLOTTS moved and Commissioner POCRATSKY seconded the adoption of the following Resolution:

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax; and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently the State broaden the Medicaid MCOs' sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments; and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Defiance County Commissioners that the potential impact to Defiance County in the reduction of sales tax revenues are estimated to be $294,893.00, or a 5.2% of sales tax revenues based on 2015 collections; and

WHEREAS, Defiance County depends on sales tax revenue to provide essential services; consider, sales tax revenue makes up 49% of Defiance County's General Revenue Fund and also supports debt service commitments; and

BOARD OF DEFIANCE COUNTY COMMISSIONERS

RESOLUTION: **IN THE MATTER OF:** **REQUEST FOR ACTION BY LEGISLATORS REGARDING SALES TAX ASSOCIATED WITH MEDICAID MANAGED CARE ORGANIZATION**

WHEREAS, a 5.2% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Defiance County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

NOW, THEREFORE, BE IT RESOVLVED, that the Board of Defiance County Commissioners, hereby urge State and Federal Legislators take immediate action against the potential loss to Defiance County of an estimated $294,893.00, or a 5.2% of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

BE IT FURTHER RESOLVED, that it is found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were so adopted in an open meeting of this Board and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

The roll call vote upon its adoption resulted as follows:

RYAN MACK Ry Mack, yes

MICHAEL POCRATSKY Michael Pocratsky, yes

GARY L. PLOTTS Gary Plotts, yes

MOTION CARRIED:

ATTEST: Stephanie M. Metz, CLERK
STEPHANIE M. METZ

2017-01.31.a

A resolution to document the Medicaid Managed Care Organization Sales Tax issue and to urge state legislators to take action to remedy sales tax losses, given the critical need for sales tax revenues in providing local county government services.

WHEREAS, From 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additional to the 1.0 percent health insuring corporation (HIC) tax; and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs, and the Medicaid MCO franchise tax was determined to be an impermissible tax, leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs and the Medicaid MCO franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently, the State broadened the Medicaid MCOs' sales tax base with HB 1 in SFY 2010-2011, HB 153 in SFY 2012-2014, and HB 59 in SFY 2014-2015, which provided additional revenues for State and local governments; and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicaid Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS, gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the President of the Ohio Senate, Keith Faber, 12th Senate District, and the County Commissioners' Association of Ohio advised the Board of Fairfield County Commissioners that the Fairfield County sales tax revenues relating to MCOs was $1,272,547 for the calendar year 2015, representing 6.2% of such sales tax revenues, with such revenues considered an base estimate for annual losses in the future; and

WHEREAS, During 2015, the County received $48.8 million in total tax revenue, of which sales taxes provided approximately $21.0 million, or about 43 percent, of total tax revenues; and

WHEREAS, such sales tax revenues are critical to the overall general operations of the county, including the number one priority of law enforcement services and public safety, representing about half of the overall general fund budget; and

WHEREAS, reductions in sales tax revenues and associated revenue sharing allocations or matches to funds for county services have an adverse impact on the ability the county has to bring stability to overall financial condition of the county and to provide essential mandated services; and

2017-01.31.a

A resolution to document the Medicaid Managed Care Organization Sales Tax issue and to urge state legislators to take action to remedy sales tax losses, given the critical need for sales tax revenues in providing local county government services.

WHEREAS, Fairfield County has made strides in moving the County forward after the economic downturn from the recession and has suffered reductions in local government revenue sharing funds and the elimination of the Tangible Personal Property Tax; and

WHEREAS, It is imperative that the State take action to protect the sales tax base of revenue for local governments in order to protect the critical services provided for citizens, including the provision of public safety and law enforcement services; and

WHEREAS, the Board of Fairfield County Commissioners, along with other officials, met with State representatives on November 22, 2016, and November 28, 2016; and

WHEREAS, the purpose of such meetings was to stress the urgency of the State acting to address the needs of counties and the citizens we serve, specifically speaking to the MCO issue prior to the start of the fiscal year and prior to the conclusion of the State biannual budget deliberations;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, FAIRFIELD COUNTY, STATE OF OHIO:

Section 1. That the Board of Fairfield County Commissioners hereby urges the State of Ohio General Assembly to take immediate action against the potential loss of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) issue. Such action could include passing state legislation to equally tax all MCOs for state and county sales tax or developing alternate methods to remedy the loss of critical sales tax revenues, protecting the sales tax base for counties over the long term.

Prepared by: Rachel Elsea

FAIRFIELD

Signature Page

Resolution No. 2017-01.31.a

A resolution to document the Medicaid Managed Care Organization Sales Tax issue and to urge state legislators to take action to remedy sales tax losses, given the critical need for sales tax revenues in providing local county government services.

(Fairfield County Commissioners)

Upon the motion of Commissioner David L. Levacy, seconded by Commissioner Mike Kiger, this resolution has been Adopted:

Voting:

Steven A. Davis, President	Aye
Mike Kiger, Vice President	Aye
David L. Levacy	Aye

Board of County Commissioners
Fairfield County, Ohio

CERTIFICATE OF CLERK

It is hereby certified that the foregoing is a true and correct transcript of a resolution acted upon by the Board of County Commissioners, Fairfield County, Ohio on the date noted above.

Rachel Elsea
Board of County Commissioners
Fairfield County, Ohio

GUERNSEY COUNTY COMMISSIONERS

ERNEST R. GARDNER JR.
sgardner@guernseycounty.org

DAVE SAFT
dsaft@guernseycounty.org

DAVID L. WILSON
dwilson@guernseycounty.org

627 WHEELING AVENUE, SUITE 300
CAMBRIDGE, OHIO 43725-2251

MICHELE LONG, Clerk
mlong@guernseycounty.org

1-800-887-0938
Fax (740) 432-9359

(740) 432-9200

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax and,

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio replaced the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently the State broaden the Medicaid MCOs sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments, and

WHEREAS, in July 2014, the Federal Centers for Medicare and Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax: is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 20, 2017; and

WHEREAS, the County Commissioners Association of Ohio advised the Board of Guernsey County Commissioners that the potential impact to Guernsey County is the reduction of sales tax revenues are estimate from $729,818.00 to $800,000.00 or a 7.3% of sales tax revenues based on 2015 collections; and

WHEREAS, Guernsey County depends on sales tax revenue to provide essential services; consider, sales tax revenue makes up 72% of Guernsey County's General Fund; and

WHEREAS, a 7.3% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Guernsey County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

WHEREAS, the Board of Guernsey County Commissioners along with other elected officials met with State representatives on September 8, 2016 to stress the urgency of the State acting to address the needs of local governments in calendar year 2016, before the start of the Fiscal year and before the end of the State biannual budget deliberations;

NOTW, THEREFORE, BE IT RESOLVED, the Board of Guernsey County Commissioners, hereby urge State and Federal Legislators take immediate action against the potential loss of from $729,818.00 to $800,000.00, or a 7.4% of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations of facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

It was moved by Commissioner Gardner, and seconded by Commissioner Saft, that the foregoing Resolution be approved this 8th day of February, 2017.

Vote was as follows:	Commissioner Saft	Yea
	Commissioner Gardner	Yea

ATTTEST:

Michele Long

Michele Long, Clerk

All vote yea.
Board of County Commissioners
Guernsey County, Ohio

Dave Saft

Dave Saft, Vice President

Ernest R Gardner Jr

Ernest R. Gardner, Jr., Member

Hamilton County

Board of County Commissioners

Todd Portune
President
Phone (513) 946-4401
Fax (513) 946-4446

Denise Driehaus
Vice President
Phone (513) 946-4406
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Room 603
County Administration Building
138 East Court Street
Cincinnati, Ohio 45202

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Jeff Aluotto
Administrator
Phone (513) 946-4420
Fax (513) 946-4444

Jacqueline Panioto
Clerk of the Board
Phone (513) 946-4414
Fax (513) 946-4444

February 15, 2017

The Hon. Bridget Kelly
The Ohio House of Representatives
77 S. High Street, 10th Floor
Columbus, OH 43215

Dear Representative Kelly:

With the recent release of the Governor's 2018-2019 budget, we wanted to revisit our concerns about the sales tax applied to Medicaid Managed Care (MMC) organizations, and the proposed offsets in the budget for counties and transit districts. Even with the proposed transitional aid, the elimination of the MMC tales tax will have a major impact on the finances of Hamilton County.

2016 collections for MMC sales tax in Hamilton County totaled $6 million for every half cent of sales tax. The total impact to Hamilton County is $15 million annually. $6 million of this revenue loss is to the County General Fund, another $6 million will impact the County Stadium/Riverfront operations, while our Union Terminal Project fund will see a loss of $3 million annually.

The proposed transitional aid to the County totals $9.6 million, or 64% of the first year losses. Over the next five years, Hamilton County will lose over $65 million in revenue should the transitional aid be enacted as proposed.

We'd like to put these further reductions in the context of the revenue losses Hamilton County has already absorbed in recent years. In addition to the recessionary losses in property taxes, interest earnings, and court fees, the County general fund has absorbed $12.6 million in annual revenue losses as a direct result of State action: $9.9 million in local government funds, $2.2 million in property tax reimbursements, and $600,000 in estate tax fees. This doesn't include millions of dollars in RECLAIM allocations to our Juvenile Court, inmate telephone charges at our justice center, or the recent slippage in Public Defender reimbursements.

At the same time the State has required more local incarceration of felony offenders, significantly expanded Hamilton County Public Defender operations (per a State MOU), increased voting options and hours at our Board of Elections, and limited our options for funding 911 operations.

Now, as an opioid epidemic puts extraordinary new demands on our criminal justice systems, child protectives services, and recovery services, we face not only a loss of $15 million in sales taxes, but further reductions in Public Defender reimbursements, and further revisions to local government fund allocations.

We continue to advocate for a full and permanent solution for the lost MMC sales tax, consistent with the Governor's proposed health-insuring corporation tax, which fully and permanently replaces the State's portion of what Budget Director Keen recently deemed a "temporary revenue source."

We also support the Governor's sales tax base expansion—a necessary tool for keeping pace with an evolving economy. And we offer an amendment to the MMC transitional aid proposal to allow local discretion for allocation into the funds where it is most needed. (Hamilton County has three funds with sales tax allocations, each with unique financial stresses.)

We appreciated that the State is engaged on this issue. We wanted to ensure that, as our local delegation, you are aware of the County's financial position, the gravity of this situation to the critical and mandated functions of County government, and the need for a full solution to this problem that takes into account ongoing revenue stagnation at the county level. We would like to arrange a time to meet with all of you on this and other issues of importance to the County and will formally be reaching out to you toward that end. In the meantime, please do not hesitate to contact us or Jeff Aluotto, County Administrator, if you wish to discuss this matter in more detail.

Sincerely,

Todd Portune, President	Denise Driehaus, /ss/	Chris Monzel
President, BOCC	Vice President	BOCC
513-946-4401	513-946-4405	513-946-4409

BOARD OF COUNTY COMMISSIONERS

JEFFERSON COUNTY
301 MARKET STREET
STEUBENVILLE, OHIO 43952
TELEPHONE (740) 283-8500
FAX NUMBER (740) 283-8599

Commissioners
THOMAS G. GENTILE
DR. THOMAS E. GRAHAM
DAVID C. MAPLE, JR.

Clerk of the Board
STACY J. WILLIAMS

February 3, 2017

Mahoning County Commissioners
Ms Nancy M. Laboy, Clerk
21 West Boardman Street, Suite #200
Youngstown, Ohio 44503

Dear Ms Laboy:

During the meeting of the Board of Commissioners held on February 2, 2017, Mr. Gentile moved,

"The Board of Commissioners, County of Jefferson, State of Ohio, support the Board of Mahoning County Commissioner's Resolution-RES-16-09-029, which addresses the impact of the Medicaid MCO Sales Tax issue on Counties and State Budgets.

"Dr. Graham seconded.

Roll call - Mr. Gentile, Yes; Dr. Graham, Yes; Mr. Maple, Yes.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Stacy Williams, Clerk

BOARD OF COUNTY COMMISSIONERS

JEFFERSON COUNTY
301 MARKET STREET
STEUBENVILLE, OHIO 43952
TELEPHONE (740) 283-8500
FAX NUMBER (740) 283-8599

Commissioners
THOMAS G. GENTILE
DR. THOMAS E. GRAHAM
DAVID C. MAPLE, JR.

Clerk of the Board
STACY J. WILLIAMS

RESOLUTION NO. 2017-4

A RESOLUTION URGING STATE LEGISLATORS TO TAKE IMMEDIATE ACTION AS PART OF THE BIENNIAL BUDGET PROCESS TO PROTECT COUNTIES AND TRANSIT AUTHORITIES AGAINST THE LOSS OF MEDICAID MANAGED CARE ORGANIZATION (MCO) SALES TAX REVENUE

Dr. Graham moved the Board of Commissioners, County of Jefferson, State of Ohio, Adopt RESOLUTION NO. 2017-4:

WHEREAS, Jefferson County has been delegated a wide array of critical services to perform on behalf of the State,

WHEREAS, A series of State policy decisions and economic conditions have lead to a period of ongoing fiscal challenge for Jefferson County,

WHEREAS, Jefferson County has experienced a growing reliance on sales tax revenue as a result,

WHEREAS, Jefferson County learned during the summer of 2016 that the amount of sales tax attributed to the Medicaid Managed Care Sales Tax is $1,323,181.00 in Jefferson County,

WHEREAS, The SFY 2018-2019 Executive State Budget proposes disparate treatment for the State and counties by recommending to fully replace forgone State sales tax and Medicaid matching dollars for the next biennium while providing counties with a one-time allocation that ranges from approximately 3 months to a year or more of the forgone revenue,

WHEREAS, The solution put forth in the executive budget treats the State and counties disparately and that what is needed is an equitable solution.

NOW THEREFORE, BE IT RESOLVED, That the Board of Commissioners, County of Jefferson, State of Ohio, hereby urge the Ohio General Assembly to take immediate action against the potential loss of approximately $1,323,181.00 (9.6%) of sales tax revenues associated with the Medicaid MCO Sales Tax by adopting an equitable solution that addresses the funding needs of the State and counties on a continuing basis.

Mr. Gentile seconded.

Roll call - Mr. Gentile, Yes; Dr. Graham, Yes; Mr. Maple, Yes.

Adopted this 16th Day of February, 2017.

____
Thomas G. Gentile

Dr. Thomas E. Graham
____
Dr. Thomas E. Graham

____
David C. Maple, Jr.

BOARD OF MAHONING
COUNTY COMMISSIONERS
21 W. Boardman Street
Youngstown, Ohio 44503

RESOLUTION
RES 16-09-029

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax, and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently the State broaden the Medicaid MCOs' sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments, and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Mahoning County Commissioners that the potential impact to Mahoning County in the reduction of sales tax revenues are estimate from $3,400,000 to $3,684,379, *or a 9.5% of sales tax revenues* based on 2015 collections; and

WHEREAS, Mahoning County depends on sales tax revenue to provide essential services; consider, sales tax revenue makes up 46% of Mahoning County's General Revenue Fund, 93% of its Criminal and Administrative Justice Fund, and also supports debt service commitments; and

WHEREAS, in 2014 the citizens of Mahoning County approved a ½% Renewal and ¼% additional Sales Tax for Criminal and Administrative Justice Services criminal justice tax that provided a stable funding source to the Offices of the Sheriff, Prosecutor, Coroner, and 911 Dispatch Operations; and

WHEREAS, a 9.5% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Mahoning County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

WHEREAS, the Board of Mahoning County Commissioners along with other elected officials met with State representatives on September 8, 2016 to stress the urgency of the State acting to address the needs of local governments in calendar year 2016, before the start of the Fiscal year and before the end of the State biannual budget deliberations;

Board of Mahoning County Commissioners
21 W. Boardman Street
Youngstown, Ohio 44503

NOW, THEREFORE, BE IT RESOVLVED, that the Board of Mahoning County Commissioners, hereby urge State and Federal Legislators take immediate action against the potential loss of from $3,400,000 to $3,684,379, *or a 9.5% of sales tax revenues* associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

It was moved by Mr. Ditzler, and seconded by Mr. Traficanti, that the foregoing Resolution be approved this 12th day of September, 2016.

Roll call voting resulted:	**Mr. Ditzler:**	**aye**
	Mrs. Rimedio-Righetti:	**aye**
	Mr. Traficanti:	**aye**

WHEREUPON, the President of the Board declared the foregoing Resolution be duly adopted this 12th day of September, 2016.

Carol Righetti

CAROL RIMEDIO-RIGHETTI,
PRESIDENT OF THE BOARD

ATTEST:

Nancy M Laboy

NANCY M. LABOY,
CLERK OF THE BOARD

JR. VOL. 104, PAGE 543.544

cc: Federal & State Legislators
Auditor's Office
Prosecutor's Office
Sheriff's Office
Treasurer's Office

As Clerk of the Board of Mahoning County Commissioners, State of Ohio, I hereby certify that this is a true and correct copy of the original now on file in the Mahoning County Commissioners Office. NML **CERTIFIED COPY.**

COMMISSIONERS
Andy Appelfeller
Kerr Murray
Ken Stiverson

MARION COUNTY OHIO

MARION COUNTY BUILDING
222 W. Center Street • Marion, Ohio 43302-3646

(740) 223-4001

Fax # (740) 383-1190

February 3, 2017

Dear Federal and State Legislators:

Enclosed please find a copy of Resolution #2017-0081 approved by the Board of Marion County Commissioners on February 2, 2017. On behalf of the citizens of Marion County we are reaching out to you to urge you to take immediate action against the potential loss of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCO's at the same rate.

The current proposal, to transition local jurisdictions from the MCO sales tax revenue, does not appear to provide a stable base of revenue for Local governments to avoid future interruption in providing mandated services at the local level.

County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that Federal and State legislators make this a priority item for consideration. Please do not hesitate to contact our office if you wish to discuss this matter further.

Sincerely,

Kenneth H. Stiverson
Commissioner-Board President

Kerr E. Murray
Commissioner

Andy Appelfeller
Commissioner

cc: John Leutz, CCAO Legislative Counsel
Board of Mahoning County Commissioners

BOARD OF MARION COUNTY COMMISSIONERS

RESOLUTION #2017-0081
Date: February 2, 2017

IN THE MATTER OF URGING STATE AND FEDERAL LEGISLATORS TO TAKE IMMEDIATE ACTION AGAINST THE POTENTIAL LOSS OF REVENUES ASSOCIATED WITH THE MEDICAID MANAGED CARE ORGANIZATION SALES TAX

It was moved by Mr. Murray, seconded by Mr. Appelfeller to urge State and Federal Legislators to take immediate action against the potential loss of revenues associated with the Medicaid Managed Care Organization sales tax, as follows:

WHEREAS; from 20005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in addition to the 1.0 percent Health Insuring Corporation (HIC) tax; and

WHEREAS; the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS; Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS; subsequently the State broadened the Medicaid MCO's sales tax base with HB1 in SFY 2010-2011, HB153 in SFY 2012-2013, and HB59 in SFY 2014-2015 which provided additional revenues for State and local governments; and

WHEREAS; in July of 2014, the Federal Centers for Medicare and Medicaid Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS; the Board of Marion County Commissioners was advised that the potential impact to Marion County in the reduction of sales tax revenues was approximately $1,237,290.00 or 10.2% of sales tax revenues based on 2015 collections; and

WHEREAS; Marion County depends on sales tax revenue to provide essential services and a 10.2% reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability and essential mandated services within Marion County and the proactive elements in moving the County forward; and

WHEREAS; County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level.

THEREFORE, BE IT RESOLVED; that the Board of Marion County Commissioners hereby urge State and Federal Legislators to take immediate action against the potential loss of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCO's at the same rate.

Vote on motion: Stiverson: Aye Murray: Aye Appelfeller: Aye

Whereupon the resolution was declared adopted this 2nd day of February 2017.

ATTEST ____________ Clerk

RESOLUTION NO. 17-0161

RE: URGE STATE AND FEDERAL LEGISLATORS TO TAKE IMMEDIATE ACTION AGAINST THE POTENTIAL LOSS OF SALES TAX REVENUES ASSOCIATED WITH THE MEDICAID MANAGED CARE ORGANIZATION (MCO) SALES TAX.

It was moved by Sabrina Christian-Bennett, seconded by Maureen T. Frederick to approve the following resolution:

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax; and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009 and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently, the State broadened the Medicaid MCOs' sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015, which provided additional revenues for State and local governments; and

WHEREAS, in July 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the Portage County Board of Commissioners understands that the potential impact to Portage County in the reduction of sales tax revenues is estimated to be over $600,000 in 2017, and over $1,200,000 in 2018; or 6.1% of sales tax revenues based on 2015 collections; and

WHEREAS, in 2015 the Portage County Board of Commissioners approved an emergency resolution levying an additional sales and use tax for the purpose of providing additional revenue for the County's general fund at a rate of one-fourth of one percent (1/4%) for a five (5) year period of time. This Resolution was adopted as an emergency measure for the immediate preservation of the public peace, health and safety within Portage County; and

WHEREAS, a 6.1% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Portage County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009. It is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

WHEREAS, the Portage County Board of Commissioners stresses the urgency of the State acting immediately to address the needs of local governments; now therefore be it

RESOLVED, that the Portage County Board of Commissioners urges State and Federal Legislators to take immediate action against the potential loss of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCO's at the same rate; and be it further

RESOLVED, that an electronic, certified copy of this resolution to transmitted to our State and Federal Legislators; and be it

RESOLVED, that the Board of Commissioners finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meeting open to the public in compliance with the law including Section 121.22 of the Ohio Revised Code.

Roll call vote as follows:

Vicki A. Kline, Yea; Sabrina Christian-Bennett, Yea; Maureen T. Frederick, Yea;

I, Clerk of the Board of County Commissioners do hereby certify that the foregoing is a true and correct copy of a resolution of the Board of Portage County Commissioners, duly adopted February 14, 2017 and appearing upon the official records of said Board, Volume 87, Page ____.

Amy Hutchinson

Clerk, Portage County Board of Commissioners

RESOLUTION 2017 - 78

RESOLUTION ---- IN THE MATTER OF URGING STATE AND FEDERAL LEGISLATORS TO TAKE IMMEDIATE ACTION AGAINST THE POTENTIAL LOSS OF REVENUES ASSOCIATED WITH THE MEDICAID MANAGED CARE ORGANIZATION SALES TAX

The Board of County Commissioners, Sandusky County, Ohio, met in regular session on the day of, 2017 at the offices of the Board with the following members present:

Charles Schwochow Kay E. Reiter Scott Miller

Commissioner Schwochow moved the adoption of the following resolution:

Whereas, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax, and

Whereas, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

Whereas, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

Whereas, subsequently the State broaden the Medicaid MCOs' sales tax base with HB 1 in SFY 1011, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments, and

Whereas, in July of 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

Whereas, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Sandusky County Commissioners that the potential impact Sandusky County in the reduction of sales tax revenues are estimate from $745,000 to $752,458, *or a 6.7% of sales tax revenues* based on 2015 collections; and

Whereas, Sandusky County depends on sales tax revenue to provide essential services; consider, sales tax revenue makes up 32% of Sandusky County's General Revenue Fund, and also supports debt service commitments; and

Whereas, a 6.7% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Sandusky County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

Whereas, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

Whereas, the Board of Sandusky County Commissioners along with other elected officials met with State representatives on September 8, 2016 to stress the urgency of the State acting to address the needs of local governments in calendar year 2016, before the start of the Fiscal year and before the end of the State biannual budget deliberations;

THEREFORE; Be It Resolved,

Section 1. The Board of Sandusky County Commissioners hereby urge State and Federal legislators take immediate action against the potential loss of from $745,000 to $752,458, *or 6.7% of sales tax revenues* associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations of facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

Section 2. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were so adopted in an open meeting of this Board, and that all formal actions, were in meetings open to the public, in compliance with all legal requirements.

Commissioner Miller offered a second to the motion for the above resolution and the vote upon its adoption resulted as follows:

.

______________________________, yes

______________________________, yes

______________________________, yes

Considered and adopted by unanimous vote.

Attest: ______________________________
Clerk to the Board

file: commissioners

copies:

I, the undersigned, Clerk of the Board of Commissioners, Sandusky County, Ohio, do hereby certify that the foregoing is a true and correct copy from the official record of the Board of County Commissioners as recorded in the official Journal.

____
Clerk, Board of County Commissioners
Sandusky County, Ohio

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COMMISSIONERS' OFFICE

January 31, 2017

Mr. Kerschner offered the following resolution and moved the adoption of the same, which was duly seconded by Mrs. Stacy.

WHEREAS, The Seneca County Commissioners Mr. Kerschner, Mr. Thomas and Mrs. Stacy met this 31st day of January, 2017 in open and regular session, and

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in additions to the 1.0 percent health insuring corporation (HIC) tax, and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently the State broaden the Medicaid MCOs' sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments, and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Seneca County Commissioners that the potential impact to Seneca County in the reduction of sales tax revenues are estimated at $717,651.00 *or a 8.4% of sales tax revenues* based on 2015 collections; and

WHEREAS, Seneca County depends on sales tax revenue to provide essential services; consider, sales tax revenue makes up 41% of Seneca County's General Revenue Fund; and

WHEREAS, a 8.4% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandated services within Seneca County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

WHEREAS, the Board of Seneca County Commissioners along with other elected officials met with State representatives on September 8, 2016 to stress the urgency of the State acting to address the needs of local governments in calendar year 2016, before the start of the Fiscal year and before the end of the State biannual budget deliberations;

NOW, THEREFORE, BE IT RESOVLVED, that the Board of Seneca County Commissioners, hereby urge State and Federal Legislators take immediate action against the potential loss of the estimated $717,651.00 *or a 8.4% of sales tax revenues* associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State legislation that will equally tax all MCO organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all MCOs at the same rate.

Mrs. Stacy- Yes Mr. Thomas- yes Mr. Kerschner- yes

Shayne Thomas

Holly Stacy

Mike Kerschner

Attest: Nicki Smith
Clerk to the Board

I, the undersigned, Clerk to the Board of County Commissioners Seneca County, Ohio, do hereby certify that the foregoing is true and correct copy from the official record of said Board of County Commissioner as recorded in Journal 93, Page 50.

Nicki Smith
Clerk to the Board

COMMISSIONERS' OFFICE, FEBRUARY 21, 2017
SHELBY COUNTY, OHIO

This day the Board of County Commissioners of Shelby County, Ohio met in regular session with the following members present: Anthony J. Bornhorst, Julie L. Ehemann, and Robert A. Guillozet.

"In The Matter Of A Resolution Urging State Legislators To Take Immediate Action As Part Of The Biennial Budget Process To Protect Counties And Transit Authorities Against The Loss Of Medicaid Managed Care Organization (MCO) Sales Tax Revenue."

A motion was made by Mr. Bornhorst for the adoption of the following

R E S O L U T I O N No. 2017-72

WHEREAS, Shelby County has been delegated a wide array of critical services to perform on behalf of the state; and

WHEREAS, A series of state policy decisions and economic conditions have led to a period of ongoing fiscal challenge for Shelby County; and

WHEREAS, Shelby County has experienced a growing a reliance on sales tax as a result; and

WHEREAS, Shelby County became aware of the impending repeal of the Medicaid managed care sales tax in the summer of 2016; and

WHEREAS, Shelby County learned during the summer of 2016 that the amount of sales tax revenue attributed to the Medicaid managed care sales tax is $455,000.00 in Shelby County; and

WHEREAS, The SFY 2018 – 2019 state budget proposes disparate treatment for the state and counties by recommending to fully replace forgone state sales tax and Medicaid matching dollars for the next biennium while providing counties/transit authorities with only the equivalent of one year's worth of revenue for lost sales and use tax revenues; and

WHEREAS, The solution put forth in the executive budget treats the state and counties disparately and that what is needed is an equitable solution.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Shelby County Commissioners hereby urge the Ohio General Assembly to take immediate action against the potential loss of approximately $455,000.00 of sales tax revenues associated with the Medicaid MCO sales tax by adopting an equitable solution that addresses the funding needs of the state and counties on a continuing basis.

Mrs. Ehemann seconded the foregoing motion. On roll call the vote was as follows: Mr. Bornhorst, yea; Mrs. Ehemann, yea; and Mr. Guillozet, yea. The President declared the motion carried and the resolution duly adopted this 21st day of February 2017.

BOARD OF COMMISSIONERS
SHELBY COUNTY, OHIO

Robert A. Guillozet
Robert A. Guillozet, President

Anthony J. Bornhorst
Anthony J. Bornhorst, Vice-President

Julie L. Ehemann
Julie L. Ehemann

Attest: Pamela Steinke
Clerk to the Board

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true excerpt from the minutes of a regular meeting of the Board of County Commissioners of the County of Shelby, Ohio, held on the **21st day of February 2017**, at which a quorum was present and acting throughout, with respect to consideration of said Board's **RESOLUTION No. 2017-72** is herein set forth, which is certified to be a true and accurate copy of the minutes so adopted.

This 21st day of February 2017

Pamela Steinke

Pamela Steinke, Clerk
Board of Commissioners
Shelby County, Ohio

The Board of County Commissioners, Trumbull County, Ohio, met in regular Session on the 15th day of February, 2017, in the Office of said Board, with the following members present:

Frank S. Fuda, President
Mauro Cantalamessa, Commissioner
Daniel E. Polivka, Commissioner

* *

RE: ADOPT RESOLUTION URGING STATE AND FEDERAL LEGISLATORS TO TAKE ACTION REGARDING THE IMPACT OF MEDICAID MANAGED CARE ORGANIZATIONS MCO SALES TAX ISSUE ON COUNTIES AND STATE BUDGET

MOTION: Made by Mr. Polivka, seconded by Mr. Cantalamessa, to adopt the following Resolution urging State and Federal Legislators to take immediate action regarding the impact of the Medicaid Managed Care Organizations MCO Sales Tax Issue on Counties and the State Budget.

RESOLUTION

WHEREAS, from 2005 to 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in addition to the 1.0 percent health insuring corporation (HIC) tax; and

WHEREAS, the Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tax; and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs; and

WHEREAS, subsequently the State broaden the Medicaid MCOs' sales tax base with HB 1 in SFY 10-11, HB 153 in SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments; and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicate Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017; and

WHEREAS, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Trumbull County Commissioners that the potential impact to Trumbull County in the reduction of sales tax revenues are estimated to be $2,738,395.00, *or 10.6% of sales tax revenues* based on 2015 collections; and

WHEREAS, Trumbull County depends on sales tax revenue to provide essential services; considering that sales tax revenues makes up 50% of Trumbull County's General Revenue Fund, and also supports debt service commitments; and

WHEREAS, a 10.6% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact on the strides the County has made to bring stability to essential mandatory services within Trumbull County and the proactive elements in moving the County forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax; and

TRUMBULL COUNTY
COMMISSIONERS
160 High Street., N.W.
Warren, OH 44481

TELEPHONE
330-675-2451
FAX 330-675-2462

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a stable base of revenue for Local governments to avoid interruption in providing mandated services at the local level; and

WHEREAS, the Board of Trumbull County Commissioners, along with other elected officials from other Ohio counties should meet with State Representatives as soon as possible, to stress the urgency of the State acting to address the needs of local governments in calendar year 2017, before the start of the Fiscal year and before the end of the State biannual budget deliberation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trumbull County Commissioners hereby urge State and Federal Legislators take immediate action against the potential loss of approximately $2,738,395.00, *or 10.6% of sales tax revenues* associated with the Medicaid Managed Care Organization (MCO) sales tax by either passing State Legislation that will equally tax all Managed Care Organizations or facilitate a change in the Federal Administrative Rule which calls for taxing all Managed Care Organizations at the same rate.

Yeas: Polivka, Cantalamessa, Fuda
Nays: None

BOARD OF COUNTY COMMISSIONERS
TRUMBULL COUNTY, OHIO

Frank Fuda

FRANK S. FUDA, PRESIDENT

Mauro Cantalamessa

MAURO CANTALAMESSA, COMMISSIONER

DANIEL E. POLIVKA, COMMISSIONER

CERTIFICATION

I, Paulette A. Godfrey, Clerk of the Board of County Commissioners, Trumbull County, Ohio, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Trumbull County Commissioners on February 15, 2017, and is duly recorded in their Journal Volume 145, Page(s) 20525-20526.

Paulette A. Godfrey / amk

Paulette A. Godfrey, Clerk/Interim Administrator
Board of County Commissioners

TRUMBULL COUNTY
COMMISSIONERS
160 High Street., N.W.
Warren, OH 44481

TELEPHONE
330-675-2451
FAX 330-675-2462

TUSCARAWAS COUNTY COMMISSIONERS

Chris Abbuhl — Kerry Metzger — Joe Sciarretti

February 21, 2017

Dear Representatives and Senators:

As you know, the looming changes to the Medicaid managed care (MCO) sales tax will cause a significant revenue shortfall for the state, counties and transit authorities. In 2016, this tax represented $209 million (8.2%) of all county and transit authority sales tax collections.

Tuscarawas County alone is looking at a cut of 5.1% which equals $674,360.27 of sales tax revenue not to mention the many funding cuts to the Local Government Fund.

The proposal included in Governor Kasich's FY2018/19 budget fully replaces the lost MCO sales tax revenue to the state for this budget cycle, but provides counties a one-time allocation that ranges from approximately 3 months to a year or more of the forgone revenue.

Permissive sales tax revenue represents over 50% of the county general revenue fund and is the lifeblood of important public safety and child protective services – two areas where needs are growing due to the opiate epidemic.

Counties value our partnership with the state, which allows us to administer programs that serve our collective constituents. However, the unequal treatment contained in this proposal undermines the fiscal stability of county revenues.

On behalf of the Board of Commissioners, I ask you to strive to develop a plan that provides equal treatment for the state and counties in the FY18/19 budget and encourages a long term solution for everyone who is affected.

If you need any additional information, please do not hesitate to contact me at (330)365-3240.

Thank you for your time and consideration of this vital issue.

Sincerely,

Chris Abbuhl

Chris Abbuhl
President of the Board
Tuscarawas County Commissioner

125 East High Avenue, Room 205, New Philadelphia, Ohio 44663
(330) 365-3240 commissioners@co.tuscarawas.oh.us

Board of County Commissioners

Doris I. Herringshaw, Ed.D. Craig LaHote Dr. Theodore H. Bowlus

February 9, 2017

The Honorable Randy Gardner
Ohio State Senator
Senate Building, Fl. 1 Room 142
1 Capitol Square
Columbus, Ohio 43215

The Honorable Theresa Charters Gavarone
Ohio State Representative
77 S. High Street Fl. 13
Columbus, Ohio 43215

Dear Senator Gardner and Representative Gavarone:

In August we copied you on a letter we wrote to then Senate President Faber to state our concerns regarding the looming loss of sales tax related to Medicaid managed care organizations. At that time we had a rough indication that the Legislature would work with the Governor to seek a workable remedy to this issue.

Unfortunately, after reading the Governor's Budget Plan on this topic, it appears that a workable remedy is one that works for the State only. Specifically, the Governor's Budget Plan states:

> "Since CMS announced this policy change, the Kasich Administration has been working to find a responsible solution that takes into consideration state budget realities, local government concerns and other stakeholder input. The Executive Budget proposal includes a replacement tax program based on a federally approved Medicaid waiver that maintains state fiscal stability and provides temporary, need-based support to counties that stand to lose funding due to the federal change."

The state and local governments have the same problem with regard to this revenue source. So why is the proposed "responsible" solution one that fixes the State's problem, while telling local governments that they will have to "work to reduce their reliance on this seven-year-old state sales tax program." If local governments have to reduce their reliance, why doesn't the state?!

We clearly recognize that this is Governor Kasich's ill-conceived solution. Therefore, we ask that you and the rest of the Legislature seek a long-term solution that assists State and Local governments with this problem. The projected loss to Wood County is $900,000 annually. Other counties will lose much more. We will appreciate hearing your thoughts about this issue.

Another item in the Governor's Budget is also of concern:

> Competitive transportation brokerage system: Proposes to remove Medicaid Non-Emergency Medical Transportation program from the local county departments of job and family services and instead procure a statewide contract with a third party transportation broker. The broker will develop and maintain the provider network,

S:\Clerk\Letters\Gardner Gavarone Sales Tax Reduction and NET.docx verify Medicaid eligibility, determine and authorize appropriate cost-effective mode of transport based on medical necessity, and dispatch appropriate vehicles.

Over the past two years the Wood County Department of Job & Family Services has worked to put a robust Non-Emergency Medical Transportation program in place. It is primarily Medicaid funded with the added feature that the Commissioners, Board of Health, and the Alcohol, Drug Addiction and Mental Health Services Board have all committed local dollars to provide transportation to anyone who falls outside of the Medicaid eligibility rules. At this point in time, we are providing approximately 1,000 rides per month to people with health, mental health, and substance abuse related appointments. All of which is coordinated locally to ensure quality service.

Perhaps it sounds very efficient to "*procure a statewide contract with a third party transportation broker*," and perhaps from a fiscal standpoint this might be more efficient. Consider the perspective of a local citizen trying to obtain transportation to an appointment, who up to this point is able to make arrangements through local people who are held accountable locally. Change that system to a statewide contract with a central dispatch and watch while customer service and accountability become sources of irritation. We strongly believe that maintaining county control of this process will continue to yield the best result.

We ask for your assistance with this issue and would be pleased to provide additional information so that you can see the benefits of the local county-based system.

We look forward to discussing both of these issues with you.

Sincerely,

BOARD OF COUNTY COMMISSIONERS,
WOOD COUNTY, OHIO

Doris I. Herringshaw, Ed.D

Craig LaHote

Dr. Theodore H. Bowlus

Attachments

cc:

BCC Correspondence
Dave Wigent, Wood County JFS
Janelle LaFond, Wood County CRC
Jill Engle, Wood County Treasurer
Tom Clemons, Wood County ADAMHS Board
Suzanne Dulaney, CCAO
Ben Batey, Wood County Health Commissioner
Michael Sibbersen, Wood County Auditor

WYANDOT

Resolution # 29
Volume 61 Page 401

Commissioners Office, Wyandot County
Upper Sandusky, Ohio, February 21, 2017

The Wyandot County Board of Commissioners met this day in adjourned regular session with the following members present: Mr. Ron L. Metzger, Mr. William J. Clinger, and Mr. Steven J. Seitz. Minutes of the previous meeting were approved.

IN THE MATTER OF
FEDERAL DEFICIT REDUCTION ACT OF 2005

Mr. Clinger moved the adoption of the following

RESOLUTION

WHEREAS, from 2005 5o 2009, Ohio collected a 5.5 percent Medicaid Managed Care Organizations (MCO) franchise tax in addition to the 1.0 percent health insuring corporation (HIC) tac, and

WHEREAS, THE Federal Deficit Reduction Act of 2005 broadened the federal definition of permissible classes to include all MCOs, not just Medicaid MCOs and the Medicaid MCO franchise tax was determined to be an impermissible tax leaving the State to find a replacement tac, and

WHEREAS, Ohio repealed the Medicaid MCOs franchise tax in September 2009, and replaced the lost revenue by applying the 5.5 percent State sales tax and local sales tax to Medicaid MCOs, and

WHREAS, subsequently the State broadened the Medicaid MCOs' sales tax base with HB 2 in SFY 10-11, HB 153 and SFY 2012-2013, and HB 59 in SFY 2014-2015 which provided additional revenues for State and local governments, and

WHEREAS, in July of 2014, the Federal Centers for Medicare & Medicare Services (CMS) advised state Medicaid directors that "taxing a subset of health care providers at the same rate as sales tax" is subject to the defini9tion of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session "to comply, which for Ohio is June 30, 2017, and

WHEREAS, the President of Ohio Senate 12th District Keith Faber and the County Commissioners Association of Ohio advised the Board of Wyandot County Commissioners that the potential impact to Wyandot County in the reduction of sales tax revenues are estimated to be $ 190,429. or a $4.9% of sales tax refve3nues based on 2015 collections, and

WHEREAS, Wyandot County depends on sales tax revenue to provide essential services, consider, sales tax revenue makes up 31.74% of Wyandot County's General Revenue Fund, 96.58% of its Criminal and Administrative Justice Fund, and also supports debt service commitments, and

WHEREAS, in 2014 the citizens of Wyandot County approved a ½% Renewal Sales Tax that provided a stable funding source to the Offices of the Sheriff, and the Emergency Management Services, and

WHEREAS, a 4.9% in reduction in sales tax revenues and any other ripple effect to revenue sharing allocations and matches to County services would have an adverse impact in the strides the County has made to bring forward after the economic downturn that started in 2009, State reductions in the local government revenue sharing formulas, and elimination of the Tangible Personal Property Tax, and

WHEREAS, County and local governments have born the burden of economic downturns and State revenue and formula reductions and changes since 2009, it is imperative that the State provide a sable base of revenue for Local governments to avoid interruption in providing mandated services at eh local level, and

WHEREAS, the Board of Wyandot County Commissioners along with other elected officials met with State representatives on September 8, 2015 to stress the urgency of the State acting to address the needs of local government sin calendar year 2016, before the start of the Fiscal year and before the end of the State biannual budget deliberations.

NOW, THEREFORE, BE IT

Wyandot County Commissioners

Courthouse Upper Sandusky Ohio

RESOLVED, that the Board of Wyandot County Commissioners, hereby urge State and Federal Legislators take immediate action against the potential loss of $190,429., or $4.9% of sales tax revenues associated with the Medicaid Managed Care Organization (MCO) sales tax by wither passing State legislation that will equally tax all MCO organizations ro facilitate a change in the Federal Administrative Rue which call for taxing all MCOs at the same rate.

Mr. Seitz seconded the resolution and the vote upon adoption resulted as follows:

Mr. Metzger,	aye.
Mr. Clinger,	aye.
Mr. Seitz,	aye.

Ron L. Metzger

William J. Clinger

Steve J. Seitz

BOARD OF COMMISSIONERS

Adopted this 21st day of February, 2017.

ATTEST:

M. Sue Shrider

CLERK

Wyandot County Commissioners
Courthouse
Upper Sandusky
Ohio