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Injection Well Permits On Hold ; Industry Warns Against Taxes; Poll Finds Frack Fretting

Pending applications for new injection wells to dispose of oil and gas drilling waste are on hold while the state considers additional regulations after earthquakes rocked the Youngstown area.

Separately, the Ohio Petroleum Council pushed back on [Gov. John Kasich](#)'s plan to raise taxes and fees on the industry Thursday, as new poll results revealed Ohioans have mixed feelings about the anticipated boom in oil and gas drilling in the state's deep shale formations.

Department of Natural Resources spokesman Carlo LoParo said the agency was in the process of conducting a comprehensive review of deep disposal wells, since the high-pressure injection of hydraulic fracturing waste fluid into a Youngstown facility was linked to recent seismic activity. (See [Gongwer Ohio Report, January 3, 2012](#))

ODNR's study and new rules for deep injection wells will be announced by the first week of February, he said.

"We plan to announce some modifications to our permitting process for deep injection wells," Mr. LoParo said, noting that Gov. Kasich has already publicly discussed one change that involves limiting how deep the wells can be drilled. The administration will restrict drilling into the Precambrian formation, or basement rock, which contains hidden fault lines that could lead to earthquakes.

Although ODNR will continue to accept applications for new disposal wells, there are nine currently pending that will not be approved until they can be compared to the new standards once they are in place, he said.

Meanwhile, Rep. Bob Hagan (D-Youngstown) introduced legislation Thursday that would impose a three-year moratorium on injection well activity in the state ([HB 418](#)).

The Democrat blasted a recent House Agriculture & Natural Resources subcommittee hearing in his district, saying it lacked substantive analysis or investigation into injection wells and the recent earthquakes.

"Instead, the hearing amounted to little more than the continuation of the oil and gas industry's public relations campaign. Instead of thoughtful answers to probing questions, industry representatives were all too eager in seeking greater latitude for their industry to do what they think is right," he said.

"Well, I remain unconvinced that the community's questions are being taken seriously," he said. "ODNR still has answers to provide regarding seismic activity and injection wells all over the state, including communities like Marietta and Youngstown. It is almost shameful how brazen the industry is in pushing their agenda over public safety."

Mr. LoParo said ODNR already held an extensive briefing on the Youngstown situation for local officials and a few days later participated in a public hearing for residents.

"In terms of responding to questions presented by officials from the Youngstown area or residents of Youngstown, we've done that quite extensively. But in addition, we'll do so in a more detailed format in terms of a comprehensive review," he said.



Taxes: Ohio Petroleum Council Executive Director Terry Fleming said policymakers should act with caution as they consider raising taxes or imposing higher fees on the industry – something Gov. Kasich last month said he would propose shortly. (See [Gongwer Ohio Report, December 19, 2011](#))

“Any increase in taxes on the industry could slow job growth in Ohio,” Mr. Fleming said in a statement. “Many energy companies are spending millions upfront to invest in oil and gas exploration of the Utica shale development. Companies in this industry depend on some operational certainty and exploration and production in Ohio could be delayed as a result of any new fees.”

He pointed to a recent industry study that estimated increased oil and gas exploration activity in the Utica Shale will provide \$479 million in state, local, and property taxes by 2015 at their current rates. By comparison, the industry paid less than \$33 million in taxes in 2010.

As for Gov. Kasich’s proposal to create a new impact fee to address damage to local roads and bridges from increased truck traffic, Mr. Fleming said the industry has a track record of voluntarily repairing and improving local roadways beyond their original condition.

“To keep the state’s economy moving forward, the oil and gas industry supports appropriate levels of taxes and regulation,” he said. “However, we cannot afford to create barriers that would prevent our state from seeing the full potential that oil and gas exploration would bring to the state with regard to jobs, economic growth and energy security.”

In response, Kasich spokesman Rob Nichols said simply, “We appreciate his thoughts and insights.”

Poll: A Quinnipiac University poll released Thursday found Ohioans by wide margins (64-29%) say that the economic benefits of drilling for natural gas outweigh environmental concerns, and that the process will create jobs in Ohio (85-11%).

However, nearly three-fourths of poll respondents (72-23%) said “hydro-fracking” should be stopped until further study is conducted. The survey showed 43% said the process would damage the environment, 16% said it wouldn’t and 40% didn’t know.

“Ohio votes are conflicted on hydro-fracking. They recognize the economic value of drilling for fossil fuels in the state, but are worried about potential environmental risks of the specific technique – hydro-fracking,” Peter Brown, assistant director of the Quinnipiac University Polling Institute, stated.

Ohio Shale Coalition Executive Director Linda Woggon said the poll shows that Ohioans recognize the potential of natural gas to change the state’s economic future.

“We are committed to encouraging and supporting the development of the shale industry in Ohio and the job growth it will bring,” she said.

“At the same time, it is clear there is still a lot of information about the process that the public needs to know,” she added, noting that only a slight majority of poll respondents had even heard of hydraulic fracturing. “So it’s understandable that the poll shows uncertainty about the process. We respect those concerns, and will work to better educate the public about the safety of the process even as we encourage environmental responsibility.”

Democrats Turn Up Heat Over IG’s Speech To Republicans

Democratic legislative leaders called Thursday for the suspension of Inspector General Randall Meyer in the wake of his appearance and speech before a local GOP party gathering.

House [Minority Leader Armond Budish](#) (D-Beachwood) and Senate [Minority Leader Capri Cafaro](#) (D-Hubbard) sent a letter to [Gov. John Kasich](#) saying there were increasing concerns about the official’s ability to perform his functions in a non-partisan manner.

“In order to maintain the integrity of the Inspector General’s office, I am calling on Gov. Kasich to immediately suspend Mr. Meyer,” Mr. Budish said in a release. “I believe this suspension will give the governor the opportunity to review the facts and make an informed decision about Mr. Meyer’s future ability to fairly and objectively carry out his duties.”

Kasich spokesman Rob Nichols said the governor only had the authority to hire and fire the IG and indicated neither approach was being pursued.



“Out of respect for the statutorily-defined independent role of the Inspector General, it wouldn’t be appropriate for us to weigh in any more than it would be to weigh in on independent judicial or law enforcement bodies,” he said in an email.

Mr. Meyer has been the subject of criticism from Rep. Budish and others since his speech last week to the Clinton County Republican Party’s Century Club. His spokesman said Tuesday he didn’t see a problem with the talk, which focused on impartiality and the functions of the office, saying he would be happy to deliver the same speech to Democrats or other groups. (See [Gongwer Ohio Report, January 17, 2012](#))

“Inspector Generals are expected to hold themselves to a higher standard and that includes avoiding partisan political activity in order to protect the integrity of the office,” Sen. Cafaro said.

The leaders said in [the letter to the governor](#) that they believed the speech at a “political fundraiser” was “an extremely serious breach of protocol for a public official charged with objectively investigating wrongdoing in state government.”

Among other complaints, the Democrats referenced a recent *Columbus Dispatch* story on the number of investigations reported by Mr. Meyer compared to his predecessor, and were also critical of what they believed was his deliberate effort to single out the federal stimulus program for scrutiny.

“Mr. Meyer’s participation at a Clinton County Republican fundraiser comes on the heels of a separate report highlighting the lack of meaningful investigations by his office,” they wrote.

“Instead of focusing on wrongdoing in state government, Mr. Meyer has targeted the American Recovery and Reinvestment Act by placing a link on his office’s homepage to encourage complaints about this program.”

Professors Offer Testimony To Senate Committee on Tax Breaks

Two longtime Ohio academics shared their views Thursday on the state’s use of tax breaks, in the process offering somewhat different assessments.

Richard Vedder, an economics professor at Ohio University, said he opposes the use of tax incentives to lure businesses because they allow government to “pick winners or losers” and can distort the flow of the free market.

“Tax expenditures involve modifications in taxes designed to benefit specific individuals or groups,” he said. “Already that runs afoul with one basic principle of good taxation, a violation of economic neutrality.”

Meanwhile, Edward Hill, dean of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University, said tax incentives can be important for drawing businesses and jobs into the state but they must be used with “constant vigilance” to ensure they are meeting their stated goals.

He told the committee some tax expenditures are tailored to fit the needs of specific taxpayers while others are carved out for special interests, adding that “sunshine is the only disinfectant” for determining if tax breaks are being used effectively. Mr. Hill said the tax breaks need to be used “surgically and strategically” in order to be considered efficient.

The men also shared their thoughts on Ohio’s system of taxation. Among other things, they agreed that a good system should be simple to understand and administer, perceived as fair and equitable, transparent and minimizes distortion in the use of resources.

Mr. Vedder said Ohio has relatively high income taxes compared with other states, which has played a role in its stagnant population growth and residents fleeing for other states.

Mr. Hill said tax expenditures are sometimes favored for flexibility in making recurring spending when compared to legislatively authorized appropriation programs. He told the committee that making the tax expenditure report public helps ensure public access to the information.

Mr. Hill said that economic development programs should be able to “measure their impact whether they’re funded by direct appropriations or by tax expenditures.”

“The tax expenditure, like any economic development program, should be a smart subsidy as opposed to a dumb subsidy,” Mr. Hill said.



Responding to a question from committee chairman [Sen. Tim Schaffer](#) (R-Lancaster), the men both said one characteristic that makes the southeastern United States more appealing to employers is the fact that many are right-to-work states.

Right-to-work states typically provide more predictability for employers and lower labor costs, which have caused a boost in economic development in those areas, Mr. Vedder said.

Mr. Vedder said Indiana is considering becoming a right-to-work state, which could have an impact on Ohio's economic development efforts.

Mr. Hill concurred. "The elephant in the room really is right to work," he said.

Mr. Vedder said the state could form a commission to study tax expenditures. However, Mr. Hill said he believes the Legislative Service Commission could be sufficient in providing an in-depth analysis to bring together findings without a lot of "political interference."

The men agreed that any study of the topic should include local and state tax codes.

[Sen. Charleta Tavares](#) (D-Columbus) said she has a concern with the "propensity" of government to encourage incentives for large companies while failing to focus on important small businesses. She said state and local governments were not doing their "due diligence" in identifying barriers to small business.

A variety of reasons can drive people to other states, with taxes only being one part of the equation, Mr. Vedder told [Sen. Nina Turner](#) (D-Cleveland).

Sen. Turner also asked for input on dealing with Ohio's "galaxy of local taxes" included within a large number of political subdivisions. She said she believed the latest biennial budget had "a lot of pass-the-buck budgeting" that forced local governments to bear the brunt of cuts.

There is no single solution to the issue of a wide array of local taxes, adding that there could be "greater integration" among state and local systems, Mr. Vedder said. Passing budgeting burdens to the local level is a common nationwide issue, especially in California where schools spend less per-capita on students than Ohio, he added.

Access to natural resources and a "deep pool of globally scarce talent", such as that in Silicon Valley, Calif., often play large roles in where companies decide to establish business, Mr. Hill said. He told the committee finding the right amount of taxation depends on the level and quality of services residents want.

[Sen. Michael Skindell](#) (D-Lakewood) brought up the issue of constitutional restrictions on state spending. He wondered what role requirements to limit budget appropriations to the current biennium could play on the use of tax expenditures.

Other testimony: Also delivering testimony on tax expenditures were Gloria Aron and James Meriweather, who are members of Northern Ohioans for Budget Legislation Equality.

Cuts to education, healthcare, mental health, kinship care and other areas of the biennial budget could have been avoided if the state found ways to raise additional revenue, Mr. Meriweather said. He advocated for a review and possible elimination of at least a portion of the state's more than \$7 billion in tax expenditures.

"If we reduce this amount by 10%, that would be \$770 million a year that we could use to restore funding for these vital programs needed by all Ohioans," he said.

Cuts have hurt local governments, with schools and municipalities suffering greatly, Ms. Aron said, adding that child care vouchers for low-wage workers have also taken a significant hit. She told the committee any serious review of tax expenditures should contain a broad section of input from a diverse group of stakeholders and citizens.

The Ohio Society of CPAs also submitted written testimony in which the group commended the committee for beginning review of the state's use of tax expenditures.

Statehouse Security System Overhaul In CSRAB Capitol Request; Panel Re-Approves Shoe Rule



Replacement of the Statehouse security system is the top priority and among the most expensive items on the Capitol Square Review and Advisory Board's wish list for [Gov. John Kasich's](#) first capital bill, officials said Thursday.

The board also voted to approve revised rules requiring shoes on the Statehouse grounds that the executive director said he thinks will appease Joint Committee on Agency Rule Review concerns.

The panel voted to approve [the capital proposal](#) to the Office of Budget and Management, which would total \$2.56 million if all first-priority projects are funded.

CSRAB's proposal breaks down projects into three priority levels for funding in 2013-14 based on an OBM request to "prioritize our priorities," CSRAB Executive Director William Carleton said.

Replacement of the security system and cable network would cost \$340,000. The current system has aged to the extent that replacement parts are hard to find, according to the proposal. The project would also include the replacement of blue light intercoms in the parking garage that have experienced failures at times.

"Technology has changed and you have to realize that most of the cabling and cameras and everything in the Statehouse were put in when the Statehouse opened (after renovation) in '96. They have age on them," Mr. Carleton said in an interview.

He said that newer cameras are able to more clearly capture faces, which could help identify individuals.

"It's better identification but it's also the fact that we're having cameras fail now and we're really struggling to find parts to keep them running," he said.

Other tier-one priorities in the proposal include \$500,000 for stone paver maintenance and replacements throughout the capitol complex and \$150,000 for furniture, upholstery and fabric replacement as needed.

Mr. Carleton said the proposed funding level is about the same as what CSRAB has asked for in the past. He said the board tried to keep with Gov. Kasich's request that no new projects be presented.

Statehouse Shoes: In another step Thursday, the board voted on a slight change to the language requiring full attire when in the building. JCARR sent a Statehouse rule change back to CSRAB last month.

Language that previously said shoes were required in the building has been modified to add "or comparable footwear." Mr. Carleton said he thinks this language will allay JCARR members' concerns.

Comparable footwear would be classified as anything with a hard bottom, he said.

The executive director said, however, he does not think one opponent to the rule will be satisfied. Robert Neinast represented Primalfoot Alliance at the JCARR hearing in saying the rule was beyond the authority of CSRAB to enact and it specifically targeted him. He said he has regularly gone barefoot in the Statehouse during the last 10 years and doing so helps alleviate pain in his foot, knee and hips. (See [Gongwer Ohio Report, December 19, 2011](#))

"I think he's still going to fight it because he doesn't believe we should have it," Mr. Carleton said. "But I think it will help the JCARR committee to understand and realize that we listened to them and we went back and kind of modified the rules a little bit."

He said the board leadership would have the authority to waive the footwear requirement if an individual has doctor's orders not to wear shoes.

"Our floors are awful rough, and again, if somebody who is not used to going barefoot or something would come in, the bricks on the lower level could cut their foot," Mr. Carleton said. "We're really trying to protect the people who come here; we're not trying to make it hard on anybody."

The rule will be sent back to JCARR for another hearing.

Other Business: The board approved another rule change that would allow the executive director, chairman or a designee to waive any Statehouse rule on an individual basis. Mr. Carleton said this was necessary because the board, which currently has waiver authority, meets every three months and cannot respond in a timely manner.

Members also discussed use of the electric car charging stations in the Statehouse garage that Chairman Finan said are underutilized.



Senate [President Tom Niehaus](#) (R-New Richmond) expressed concern over the revenue lost because those parking spaces are left vacant. "It just seems like we're losing revenue in spaces that aren't being used."

Mr. Carleton said garage staff is instructed to permit non-electric cars to use those spaces. He said CSRAB will be sending information to car dealerships that sell the vehicles to spread word about the charging stations.

In his report to the board, Director Carleton said the Statehouse had 74,979 tour visitors in 2011, which is up 1,000 from the year prior. Nearly 500 events were held in 2011 with 139,320 attendees, which compares to 422 events in 2010 with 11,234 guests.

The board also re-elected its officers for 2012 with Chairman Finan, Vice Chairman Niehaus and Secretary Neal Zimmers retaining their posts.

Advocates Push For Tobacco Tax Hike In Kasich's Mid-Biennial Budget Update

Anti-smoking advocates are stepping up efforts again to raise the "other tobacco tax" in Ohio as [Gov. John Kasich](#) prepares to roll out its mid-biennial budget review proposal.

During a Thursday event at the Riffe Center in Columbus, the American Lung Association in Ohio expressed optimism that the administration was open to the group's proposal to raise taxes on non-cigarette products, such as cigars and smokeless tobacco, to fund cessation efforts.

Kasich spokesman Rob Nichols declined to comment on what the mid-biennial review legislation might contain, saying only that the administration was hard at work on it and expects it to be ready in the next few weeks.

ALA said policymakers' decision to dramatically cut funding for tobacco cessation programs in recent years led to the first smoking rate increase in a decade. In 2010, the rate ticked up to 22.5% from 20.3% in 2009.

The organization graded Ohio an "F" for its tobacco prevention and control spending, which totaled \$1 million in fiscal year 2012, primarily to enforce the statewide smoking ban. The federal Centers for Disease Control and Prevention recommends states spend \$145 million on anti-smoking efforts, according to the group.

The only money Ohio spent on tobacco prevention and cessation was about \$2 million in federal funding on required programs, ALA said. Current tobacco taxes generate about \$1 billion.

Shelly Kiser, director of advocacy for ALA in Ohio, said the organization and other health groups have been lobbying for policymakers to raise the other tobacco products tax from its current rate of 17% of wholesale price to 55%, which would make the rate about equal to the current \$1.25 tax on cigarettes.

The proposal would generate about \$50 million a year to fund a tobacco prevention and cessation program, she said.

ALA estimates the change would decrease overall consumption of other tobacco products by 13% and reduce youth users by 25%.

Ms. Kiser said that raising the OTP to fund tobacco cessation programs would actually enable the state to reduce taxes in the future because health care costs will decrease as smoking-related diseases decline. She noted the smoking rate among Medicaid beneficiaries is 43%.

"It definitely would, by raising our tax, save money in the long run," she said.

Pointing to Gov. Kasich's plan to impose new fees and broaden the severance tax on oil and gas drilling (*see separate story*), ALA's Shelly Kiser said, "He's shown that he can be open to new taxes."

However, Ms. Kiser acknowledged the notion of raising any kind of tax was not popular with the Republican-led legislature.

"They tell us there are other priorities," she said. "I don't know what could be more of a priority than saving lives and saving money."

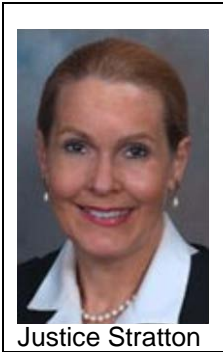
Supreme Court Requires Housing Authority To Give Law Firm Forms Showing Possible Lead Poisoning



The Ohio Supreme Court ruled Thursday that the Cuyahoga Metropolitan Housing Authority must comply with a records request pertaining to potential lead poisoning but that personal information should be redacted.

In [the 5-2 decision](#), the court directed CMHA to provide to a Cleveland law firm copies of forms that document possible lead poisoning of children residing in the authority’s housing units. Personal identifying information included in the documents is not subject to disclosure, however, as it does not “document the organization, functions, policies, decisions, procedures or operations” of CMHA, according to the court.

The opinion partially affirmed a decision of the 8th District Court of Appeals but reversed the lower court’s ruling that the law firm was entitled to \$7,573.50 in attorney fees.



Justice Stratton

The O’Shea & Associates law firm had sought through a public records request copies of questionnaires completed by CMHA residents whose children were found to have elevated levels of lead in their blood, the high court said. In addition to those documents, the justices said the authority must also provide forms authorizing release of medical information.

CMHA argued that the requested documents were exempt from disclosure under exceptions to the Public Record Act that apply to medical records, trial-preparation records, and records the disclosure of which is prohibited by a state or federal law.

Justice Evelyn Lundberg Stratton said in writing for the majority that information on lead in paint, water and soil as well as child-behavior risk factors would be pertinent to analyze whether CMHA made an effort to provide safe housing in dwellings with possible lead hazards.

“Release of this information would help to hold CMHA accountable for its statutory duty of reducing or eliminating any lead-related hazard in its residences and would reveal the agency’s success or failure in doing so, without requiring release of much of the residents’ personal information,” she wrote in the opinion.

Justice Stratton was joined in the opinion by Chief Justice Maureen O’Connor and Justices Judith Ann Lanzinger, Robert R. Cupp and Yvette McGee Brown.

Justice Paul E. Pfeifer entered a separate opinion, joined by Justice Terrence O’Donnell, in which he concurred with the majority’s holding in all matters except the court’s reversal of the award of attorney fees.

“The majority justifies its denial of an award of attorney fees in part by stating, ‘O’Shea is not entitled to most of the personal identifying information contained in the records.’ However, CMHA fought tooth and nail to keep from having to produce the documents at all,” he wrote. “They were not arguing for redactions, but for full-scale withholding of the documents O’Shea sought. CMHA was wrong.”

Politics Notebook: Speaker To Wait For Primary To Fill Vacancies; Poll Finds Ohioans Split Over ‘Heartbeat’ Bill; Portman Backs Romney

[Speaker Bill Batchelder](#) (R-Medina) said Thursday he would wait to fill vacancies in two GOP-leaning districts until after the primary election.

With primaries in the 87th and 98th Districts both attracting multiple candidates, he believes it’s prudent to let the voters decide who will fill the seats for the remainder of the year, he said in a statement. However, local officials will be contacted for suggestions on temporary seat holders so the districts will not go without direct representation until the March primary.

“As the Speaker of the House, it is of the utmost importance to me that each House district has appropriate representation and that every Ohioan has a means to make his or her voice heard in Columbus. However, we are also in a situation that gives Ohioans themselves the opportunity to help us choose the appointees to succeed Representatives (John) Carey and (Richard) Hollington in the Ohio House during this General Assembly,” the speaker said.

“Given the fact that multiple Republican candidates have filed for these offices prior to the March primary, voting for which begins in less than two weeks, we feel it would be most prudent given this timeline for the residents of the 87th and 98th districts to decide for themselves who their representatives will be. The Republican Caucus has decided to honor the outcome of the March primary for these two districts and ultimately appoint the winner of each race.”



Quinnipiac Poll: Ohio voters, like the split anti-abortion community, are fairly evenly divided over the so-called “heartbeat” bill, a poll released Thursday shows.

The latest [Quinnipiac University poll](#) found 45% in favor and 46% opposed to the measure that would prohibit abortions after the detection of a fetal heartbeat ([HB 125](#)). Republicans support the bill 63-31%, Democrats oppose it 62-30% and independents narrowly back it 47-46%, according to survey results from the university’s Polling Institute.

The poll also found Ohio voters strongly against another hot-button policy issue involving state government – the process of “fracking” for oil and gas deposits – pending further study. (*See separate story*)

In other results from the poll:

- Voters strongly back, by 68-28%, a ban on the ownership of exotic animals, with support high among all groups.
- [U.S. Sen. Sherrod Brown](#) (D-Avon) leads GOP [Treasurer Josh Mandel](#) 47-32%, only slightly changed from the Oct. 26 result of 49-34%.
- [Gov. John Kasich](#) has a negative 39-48% approval rating, also little changed from his negative 38-50% score in October.
- [U.S. Sen. Rob Portman](#) (R-Terrace Park) has a 39-25% job approval rating.

The telephone survey of 1,610 registered Ohio voters was conducted Jan. 9-16 and has a margin of error of 2.4 percentage points.

Portman for Romney: Sen. Portman became the highest-profile Ohio officeholder to endorse in the presidential race with the announcement that he is backing the favorite to win the nomination, former Massachusetts Gov. Mitt Romney.

“I had not planned on endorsing this early in the primary process. However, I feel one candidate’s policy positions, debate performances, and character make him the best candidate to take on President Obama, and I feel our chances in November will be improved by coalescing around one candidate and stopping the political attacks among Republicans,” Sen. Portman said in a statement to supporters.

“I admire all of our candidates. They have been willing to throw their hats in the ring, endure long days on the road, time away from their families and plenty of criticism from many quarters, all in a selfless effort to help the country they love. Each has his strengths. But I have become convinced that one of those candidates is the right person to lead our nation in perilous times. That leader is Mitt Romney, and I am proud to stand at his side.”

Ohio Democratic Party Communications Director Seth Bringman said the senator’s endorsement comes as no surprise “seeing that Rob Portman has spent his entire career standing up for big corporations like Bain Capital, where Mitt Romney put profits over people by bankrupting companies, outsourcing jobs and laying off workers to line his own pockets.”

“Both Rob Portman and Mitt Romney turned their backs on Ohio’s autoworkers when 1.4 million American jobs were on the line, they both would let Wall Street write its own rules and they both oppose asking ultra-wealthy Americans like themselves to pay their fair share as middle-class families are struggling,” he added.

Agency Briefs: 2011 Sets Another Record For Liquor; AG Warns Of Scams; Business Filing Up; Development Conference Slated

Ohioans’ alcohol consumption continued its years-long upward swing in 2011 leading to another record-breaking year in liquor sales, the Department of Commerce announced Thursday.

Dollar sales of spirituous liquor in Ohio totaled \$793.7 million last year, an increase of 5.3% over the previous record-setting year, according to the Division of Liquor Control.

“Better inventory management and improved customer service helps us meet the needs of consumers,” DOC Director David Goodman said in a statement.

Sales for liquor purchased by retail permit holders, such as restaurants, bars and clubs, also rose 4.7% to \$244 million in 2011, following a period in which wholesale dollar sales decreased three of the past four years, the agency said.



Director Goodman said the increase was a positive indicator for Ohio's economy, showing that Ohioans are patronizing restaurants and entertainment businesses.

The agency's new release included a comment from Jarrod Clabaugh, director of communications for the Ohio Restaurant Association.

"Whether linked to expanded happy hour offerings or a larger selection of flavored spirits, consumers appear to be enjoying more specialty drinks and pairing their meals with more sophisticated products," he said.

Dollar sales grew more than volume consumption in 2011, which grew 3.9% to reach 11.4 million gallons.

"As consumer tastes become increasingly more sophisticated, they tend to buy more of the premium products," Director Goodman said.

Nonetheless, Ohioans consumed more of the unsophisticated Kamchatka Vodka than any other brand – a total of 401,148 gallons. Jack Daniels Tennessee Whiskey followed at 349,589 gallons, and Bacardi Superior Light Rum came in third at 291,559 gallons.

Attorney General: Ohioans need to be on the lookout for sweepstakes scams, AG Mike DeWine said this week, noting that his office's Consumer Protection Section took nearly 1,500 complaints about sweepstakes and prizes that reportedly cost Ohioans losses of about [\\$2 million](#).

"In a typical sweepstakes scam, consumers receive a letter or call saying they've won an international lottery," Mr. DeWine said. "In order to collect the winnings, however, they must send money to cover processing fees or taxes. In reality, they haven't won a prize, and any money they send will be lost."

Secretary of State: Jon Husted announced this week that 82,601 new entities filed to do business in Ohio last year, which is [an increase](#) over 2010 when his office received 80,081 filings. Mr. Husted also announced updates to forms, which are designed to make the filing process easier for domestic and foreign companies to do business in the state.

"When it comes to the number of new businesses choosing to operate in Ohio, our state is heading in the right direction," Mr. Husted said. "The Secretary of State's office continues to do its part to ensure a more welcoming business environment, working to streamline the filing process for Ohio companies. We hope for an even more prosperous year for Ohio in 2012."

Development: Registration has opened for the seventh annual Ohio Business Matchmaker Conference. The event is meant to link small businesses with government agencies and contractors while providing an opportunity to meet buyers and sellers of goods and services.

Sponsors include the DOD's Office of Business Assistance Small Business Development Center and the U.S. Small Business Administration Columbus District Office. [The conference](#) will be held from 7 a.m. to 4:30 p.m. March 20-21 in Dayton, according to the Department of Development. It will take place at the Wright State University Nutter Center, 3640 Colonel Glenn Highway.

OHFA: The Ohio Housing Finance Agency Board recently approved \$1.9 million through the Housing Development Assistance Program to provide flexible, low-interest financing for affordable housing developments.

The Ohio Department of Mental Health was awarded \$1 million to address critical capital needs of Adult Care Facilities across Ohio and Jacobs Crossing in Rio Grande got \$900,000, OHFA said. Funding for the program comes from the federal HOME program and the Ohio Housing Trust Fund.

Patrol: The State Highway Patrol said troopers seized seven large commercial garbage bags containing an estimated \$78,000 in stolen merchandise from four New Jersey residents, who were stopped on Interstate 80 in Trumbull County for a following too closely violation.

The agency said criminal indicators were observed and a probable cause search revealed the bags of stolen clothing with brand names such as Victoria's Secret, Banana Republic, Guess, Ralph Lauren, Abercrombie & Fitch, and Express.

All of the suspects were charged with receiving stolen property, a fourth-degree felony and possession of criminal tools, a fifth-degree felony. If convicted, they could each face up to two-and-a-half years in prison and a \$7,500 fine.



Capitol Scene: Senate GOP Announces Staff Changes; Brown Appointed To Deferred Comp Board

The Senate Majority Caucus' deputy director of finance will be taking on some additional duties.

In addition to his current responsibilities, Matt Whatley will assume the role of policy director for the chamber's Majority Caucus. Mr. Whatley will work with deputy chief of staff Liz Connolly to manage the policy process and advise caucus leaders and committee chairs on legislative priorities.

He also will coordinate legislative agendas with House staff, serve as a liaison to the lobbying community and provide support and training for member legislative aides.

Meanwhile, Frank Strigari has been named as the Senate Majority Caucus' new legal counsel. He previously served in the governor's office

Mr. Strigari will fill the position vacated by John Barron, who joined the Casino Control Commission in October as deputy director and general counsel.

Brown Board Appointment: [Sen. Edna Brown](#) (D-Toledo) was recently appointed to the Ohio Public Employees Deferred Compensation Board by Ohio Senate [President Tom Niehaus](#).

Sen. Brown will serve as one of two legislators representing the General Assembly on the board, which is charged with fiduciary responsibility for the Ohio Deferred Compensation Program.

"I am honored by my selection to serve on the OPEDC Board and the opportunity to work with my fellow Board members and the staff to help public employees plan for a stable retirement," Sen. Brown said in a release. "I commend our public servants who look to the future and reward their own hard work by putting aside some of their earnings into this worthwhile program."

Supplemental Agency Calendar

Monday, January 23

Interagency Task Force on Mental Health and Juvenile Justice, Rm. 1960, 77 S. High St., Columbus, 10 a.m.

Tuesday, January 24

Educator Standards Board, Worthington Education Center, 200 E. Wilson Bridge Road, Columbus, 1 p.m.
Multi-Agency Radio Communications System (MARCS) Steering Committee, Rm. 1960, 77 S. High St., Columbus, 1 p.m.

Wednesday, January 25

State Teachers Retirement System, 275 E. Broad St., Columbus, 9 a.m.
Smoke Alarm Advisory Task Force, 8895 E. Main St., Reynoldsburg, 1 p.m.

Thursday, January 26

State Teachers Retirement System, 275 E. Broad St., Columbus, 9 a.m.
Board of Building Standards, BBS Library, 6606 Tussing Rd., Reynoldsburg, 1 p.m. (This is a meeting of the Certification & Education Committees)

Friday, January 27

Board of Building Standards, BBS Library, 6606 Tussing Rd., Reynoldsburg, 8:30 a.m. (This is a meeting of the Code Committee)
Board of Building Standards, Training Rm. 1, 6606 Tussing Rd., Reynoldsburg, 10 a.m.

Supplemental Event Planner


Friday, January 20



[Gov. John Kasich](#) to appear at **Norwalk Furniture ribbon cutting**, 100 Furniture Parkway, Norwalk, 9:30 a.m.

Wednesday, February 15

Ohio Telecom Association 2nd Annual Legislative Open House, Statehouse Atrium, Columbus, 8 a.m., (OTA is accepting donations of old wireless phones which will be refurbished and donated)

Click the  after a bill number to create a saved search and email alert for that bill.

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