An Ohio mayor's company hired a lobbyist to weaken a state ethics law. The legislature passed it during lame duck.

By Jake Zuckerman Cleveland.com

COLUMBUS, Ohio – In a massive bill passed late on the final lawmaking day of 2024, Republicans quietly slipped in an unvetted amendment creating an ethics exemption for small town mayors.

The idea came from one Ohio mayor, who also serves as CEO of a water treatment supply company. The governor vetoed the proposal Thursday.

Under current law, businesses owned by public officials generally can't accept public contracts unless the government gets the best treatment and the lowest cost, and the public official takes no part in the town's decision.

The change would have exempted village mayors' businesses from the law as long as the mayor doesn't participate in the decision, those making the purchase decision know about the conflict, and the government gets the best "treatment" from the business. The amendment makes no reference to the government receiving the best "cost."

Gov. Mike DeWine vetoed proposed legislation late Thursday. In a <u>veto letter</u>, DeWine said Paul Nick of the Ohio Ethics Commission urged rejecting what would weaken a 40-year-old law, warning the change would "invite misuse of taxpayer money."

One of the legislative sponsors of the amendment said the idea came from a lobbyist hired by Ed Kidston, the mayor of the small town of Pioneer in Williams County. He's also the CEO of Artesian of Pioneer, which sells personal, municipal and industrial-scale water treatment supplies.

On five occasions since 2020, Kidston asked the Ohio Ethics Commission for legal advice on whether his business can receive different public benefits, documents obtained in a records request show. He asked whether the company could <u>bid on an</u>

\$807,000 municipal contract; enter a land sale and water testing deal with a private developer introduced by a state economic development agency; lease land to a municipal, federally subsidized solar farm; give a tax abatement to his water treatment property; and let the city annex his land. The answers varied by request. Kidston's lobbyist declined to offer further detail.

This year, Artesian <u>hired</u> a lobbyist from a prominent law firm, who successfully persuaded lawmakers to change the ethics law. It's the company's first and only time registering a state lobbyist, per state records.

Both Nick and Kidston's lobbyist declined to answer whether he followed through with any of the five possible deals he inquired about. Cleveland.com and The Plain Dealer reached out to Kidston via his business.

No lawmaker called the Ohio Ethics Commission to discuss the proposed law, Nick said in an interview Friday. But the amendment, he said, would make different forms of self-dealing easier for those elected to local office.

"This exemption would have allowed contracts without anyone determining if they're necessary or not," he said.

Nick offered two recent cases involving the state law in question. In Pickaway County in central Ohio, South Bloomfield Mayor Matthew Pettibone pleaded guilty in November for having interest in a public contact. According to Nick, Pettibone was accused of hiring his son as a city employee (familial hires are covered elsewhere in state ethics laws) and giving him a raise. He was sentenced to 18 months of community control.

In Wayne County, Dalton Village Mayor Blake Nussbaum in 2023 asked the Ohio Ethics Commission for an advisory opinion regarding whether the city could purchase from a hardware store Nussbaum owned. The commission <u>opined</u> that yes, it could, so long as it met the four terms of the current exemption.

The Legislative Service Commission, which drafts and analyzes legislation, wrote that it is "unclear" what effects the amendment would have on local public contracts.

Rep. Bill Seitz, a veteran Republican lawmaker who led conference committee negotiations for the House that added the proposal to the massive bill at the last minute, defended it in an interview Friday.

"In some of these villages, they're so small that that the mayor and his family, if they're all disqualified from having any interest in a public contract, the village cannot operate, because the mayor and his family are like the only game in town," he said. "And so the language that was submitted said, 'Well, look, as long as the mayor does not vote on it, does not lobby for it, as long as the terms are at least as favorable as anybody else's terms, then it would not be a violation of the unlawful interest in a public contract statute for this transaction to move forward."

Jonithon LaCross, the lobbyist Kidston hired with the law firm of Porter, Wright, Morris and Arthur, made similar arguments. He cited examples of a mayor who owns land in town that could support affordable housing opportunities or a solar farm. He said that under current law, none of the various subsidies or tax breaks could flow through to those developments given the mayor's interest in the end product.

Plus, in a lot of small towns, it's the business owners who wind up in leadership positions. The amendment avoids costly delays, he said, or needlessly importing goods or services. And, he noted, while the amendment doesn't specifically require a mayor's business provide the best "cost," it must provide equal or better treatment to customers in "similar transactions."

"This legislative change balanced the need to avoid conflicts of interest with the practical reality that small villages have limited resources and providers, helping ensure that necessary services can still be delivered without compromising ethical standards," he said. "The exception doesn't allow for unchecked self-dealing; it ensures that any public contracts involving the mayor or executive officials interests are conducted with full transparency."

Jeremy Pelzer contributed reporting.