CCAO STATE BUDGET OVERVIEW 2022-23

STRONGER COUNTIES. STRONGER OHIO.

CAB 2021-06

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PREFACE

This year's state operating budget marks a continued and much-appreciated strengthening of the state-county partnership. Starting with the previous biennium's budget bill (House Bill 166) and continuing through the current budget (House Bill 110), the DeWine-Husted Administration and General Assembly have answered the call to bolster the key linkages between the state and her 88 counties. Ultimately, this cooperation produces stronger and healthier counties that collectively make Ohio a better place to call home. The renewal of the state-county partnership has its roots in HB 166 of the 133rd General Assembly. In that budget bill, the state made considerable and much appreciated investments in indigent defense reimbursement and children services, as well as modernizing sales tax collection. Counties looked forward to continuing that momentum in the 134th General Assembly.

As we all now know, global events would inject incredible uncertainty into state and county governments. The COVID-19 pandemic presented the state and counties with public health challenges not experienced in over 100 years. Key revenue streams fluctuated wildly, and continued state support for key county priorities looked uncertain.

Fortunately for Ohio, state and local leaders made the difficult decisions in 2020 to position themselves for future success. The state and county governments adapted and adjusted their operations to continue critical services through the midst of the pandemic. Revenue streams eventually stabilized, and the path forward became less murky.

CCAO's primary request heading into this year's budget process was to fully fund indigent defense reimbursement. The state had made significant progress in this area as part of the previous state budget, but pandemic-induced state budget reductions lowered reimbursement rates for Fiscal Year 2021. Fortunately, Governor DeWine's executive budget proposal increased indigent defense reimbursement by over $42 million, making counties whole from the previous pandemic-related budget cuts. Governor DeWine's budget also made unprecedented investments to benefit local communities, such as in broadband expansion.

As the budget moved through the Ohio House, House Speaker Bob Cupp and fellow representatives further increased funding for indigent defense by an additional $8.3 million and $12.3 million in FY 2022 and FY 2023, respectively. These increases raised the projected indigent defense reimbursement rate to 100%– a historic achievement. The House budget also provided counties an additional 0.5% sales tax authority for county jail operations and appropriated $1.5 million for local MARCS radio subsidies – later increased to $2.5 million in the budget conference committee.

The Ohio Senate, led by Senate President Matt Huffman, continued the momentum by maintaining the important investments in indigent defense reimbursement in its version of the budget. Furthermore, the Senate included several policy changes to benefit county government, such as keeping the Targeted Community Alternatives to Prison program permissive for counties. The Senate also provided $10 million in each fiscal year for state child protection to help counties with rising children services costs.

In total, the successes of this budget bill are due to the efforts of many individuals. From the strong start provided by the DeWine-Husted executive budget to the broad support provided by House and Senate lawmakers, especially Speaker Cupp and Senate President Huffman, this budget was a team effort. Countless thanks also go to the CCAO membership for their tireless advocacy efforts with lawmakers to craft a budget bill that strengthens all counties.

While one budget bill alone cannot satisfy all local needs, HB 110 makes important advances on a multitude of key county priorities. Equally important, HB 110 continues the momentum of a strengthening state-county partnership that can lead to future successes.

CCAO sincerely thanks Governor DeWine, Lt. Governor Husted, House and Senate leadership, and the membership of the Ohio General Assembly for their support of county government. As we have long held, a strong state-county partnership helps build strong counties for a stronger Ohio.

The following pages contain additional details on budget provisions contained in HB 110 with a county impact. Please feel free to contact any member of the CCAO policy team should you have any questions about any of the provisions contained in this document.

AGRICULTURE AND RURAL AFFAIRS

Broadband Development Grants – HB 110 provides $230 million in FY 2022 and $20 million in FY 2023 for broadband development grants to fund the Ohio Residential Broadband Grant Expansion Program. The Ohio Residential Broadband Grant Expansion Program was established under House Bill 2 (134th General Assembly) which was signed into law in the spring of 2021. The program establishes a competitive grant process by which certain broadband providers can apply to receive state funds to facilitate broadband expansion projects across the state. The funds provided to this program in HB 110 should significantly expand the reach of this new program.

(Section 259.10 Appropriation line item 195550)

Soil and Water Conservation Districts – The budget provides state matching funds to support Ohio's 88 county soil and water conservation districts (SWCDs). SWCDs receive both state general revenue funds and dedicated purpose funds (Fund 5BV0) generated from scrap tire fees, municipal solid waste fees and construction and demolition debris disposal fees. State GRF funds increased by 6.75% for FY 2022, growing to over $11.8 million per fiscal year and maintaining that funding level for FY 2023. The dedicated purpose fee funds are budgeted for $8 million over both years of the biennium.

(Section 210.10; Appropriation line items 700509 and 700661)

Soil and Water Conservation Earmarks – HB 110 continues several earmarks for soil and water conservation funding established in previous budget bills. Heidelberg Water Quality Laboratory receives $275,000 in funding, earmarked from line item 700601, the scrap tire, solid waste and demolition debris fee fund. Additionally, $3.5 million in GRF revenue is earmarked for SWCD staffing costs to assist in nutrient conservation practices in the Western Lake Erie Basin. HB 110 also earmarks $350,000 in both fiscal years from state GRF funds to enforce the Senate Bill 1's (131st General Assembly) prohibition against spreading fertilizer and manure in the Wester Lake Erie Basin on frozen ground, saturated soil, and during certain weather conditions.

(Sections 210.10 and 211.20)

Soil and Water Financial Transaction Devices – Establishes a process which allows SWCDs to accept credit card and debit cards for payment of certain district goods and services. The county treasurer shall serve as the administrative agent in establishing the payment process, although treasurers may opt-out of this requirement within 30 days of the enabling resolution from the SWCD board of supervisors.

(Section 940.111)

Ohio State University Extension – OSU Extension Service, which is located in all 88 counties, creates partnerships with individuals, families, communities, businesses and industries, and organizations to strengthen the lives of Ohioans through research-based educational programs. Under HB 110, OSU Extension receives a 2.97% increase in funding for FY 2022 and a 0.81% increase for FY 2023.

(Section 381.10, Appropriation line item 235511)

Central State University Extension – CSU Extension works to improve overall conditions facing families in rural and urban communities and addressing agricultural issues in rural and urban communities. CSU Extension receives a 78.15% increase in funding for FY 2022. This funding amount remains the same for FY 2023.

(Section 381.10, Appropriation line item 235548)

Ohio Agricultural Research and Development Center – OARDC is the research arm of the OSU College of Food, Agricultural, and Environmental Sciences. OARDC operates numerous agricultural research and development initiatives to strengthen Ohio's agricultural industries and is located across ten research facilities across the state. OARDC receives a 0.82% increase in its state funding for FY 2022 and an additional 0.84% increase in FY 2023.

(Section 381.10, Appropriation line item 235535)

Ohio State University Farm Production, Policy and Financial Management Institute – HB 110 provides $250,000 per year over FY 2022 and FY 2023 to the Ohio State University Extension's Farm Production, Policy, and Financial Management Institute. The budget bill also expands the Institute's role to include assisting farmers in addressing integration of farm production practices, agricultural marketing, and farm policy, in addition to financial management. The legislation also adds farm owners and managers to the list of individuals for priority enrollment in the Institute.

(ORC 3335.38, Appropriation line item 700676)

Farmland Preservation – The Office of Farmland Preservation under the Ohio Department of Agriculture implements several farmland preservation programs to keep farmland in active production. The office sees its budget increase from approximately $35,000 in FY 2021 to $1 million in FY 2022. This amount then decreases to $500,000 in FY 2023. These additional funds are to be used to purchase agricultural easements and provide matching grants to municipal corporations, counties, townships, SWCDs, and certain charitable organizations to purchase agricultural easements. The funding for two other farmland preservation programs, the Clean Ohio Agricultural Easement Operating Fund and the Agricultural Easement program remains largely unchanged.

(Section 211.10, Appropriation line item 700409)

County Agricultural Societies – HB 110 provides approximately $380,000 for reimbursement to local agricultural societies for junior fair activities. This funding level is consistent with pre-pandemic funding amounts.

(Section 211.10, Appropriation line item 700501)

ECONOMIC DEVELOPMENT

Development Services Agency Renamed – OSDA will be renamed the Ohio Department of Development, effective September 30, 2021. The Director will be known as the Director of Development.

(ORC 518.20, various conforming changes in the Revised Code)

Transfer of Equal Employment Opportunity Division and Contractor Compliance Program – Administrative responsibility transferred from the Department of Administrative Services to the Department of Development for the following programs:

- Contractor Compliance Program for state affirmative action policies;
- Minority Business Enterprise Program;
- Encouraging Diversity, Growth, and Equity Program (EDGE);
- Women-Owned Business Enterprise Program;
- Veteran-Friendly Business Enterprise Program.

(Sections 518.10 to 518.16, various conforming changes in the Revised Code)

Joint Economic Development District Notice – Modifies the notice and opt-out procedures for certain properties that are either within ½ mile of the joint economic development district (JEDD) or receive water or sewer services under certain agreements with municipalities that are not part of the JEDD. If a district will include any property that would receive water or sewer services from a non-JEDD source, the contract must include information regarding the JEDD's public utility infrastructure.

(ORC 715.72)

TIF and Downtown Development Districts – Explicitly allows political subdivisions to use TIF and downtown redevelopment district service payments to pay for off-street parking facilities. Additionally, municipalities that create certain types of TIFs may designate the beginning date of the TIF exemption, rather than the exemption starting automatically on the authorization ordinance's effective date. The specified beginning date may either be a specific tax year or may be conditional (such as when the value of an improvement exceeds a specified amount). Both provisions apply only to proceedings commenced or ordinances adopted after the bill's effective date and applies to proceedings that, on the effective date, are pending or in progress.

(ORC 5709.40, 5709.41, Section 803.210)

Rural Business Growth Program – Makes a number of changes to existing insurance premium tax credits for investments in rural business growth funds, including increasing the amount of credits that may be awarded by the Department of Development by $45 million and authorizing the Department to accept applications beginning 30 days after the budget's 90-day effective date.

The bill modifies the eligibility and investment criteria by: (1) decreasing, if the business is located in a border county, the percentage of the business' employees who must reside in Ohio or the percentage of the business' payroll that must be paid to Ohio residents, (2) increases by one year the time over which the fund must invest its contribution in a way that would qualify for the credit, (3) organizes rural counties into population-based tiers where eligible investments must occur, and (4) adjusts the amount of credit-eligible contributions that may be invested in a single business.

The tax credits awarded from this provision will first occur in FY 2024, so local governments will not experience revenue losses in the current state fiscal biennium.

(ORC 122.15, 122.151, 122.153, 122.154, 122.156, Section 757.60)

Rural Industrial Park Loan program – Expands eligibility for this ODOD program to any rural county not designed as a Metropolitan Statistical Area by the US Office of Budget and Management. Appropriates $15 million per year for the program.

(ORC 122.23)

Brownfield Remediation Program – Creates a new ODOD program, Brownfield Remediation, to award grants for the remediation of brownfield sites throughout Ohio. The program is funded at $350 million in FY 2022. Unexpended amounts are carried over to FY 2023. ODOD must adopt rules to implement the program, including rules for determining project and project sponsor eligibility, program administration and any others the director finds necessary. The program must be operational and accepting applications by the end of calendar year 2021.

ODOD is required to reserve $1 million from the appropriation for each county. If future appropriations are less than $88 million, a proportionate amount must be reserved for each county. Amounts are reserved for one year, and if they are not used they are made available statewide on a first-come, first-served basis. Grant awards are limited to 75% of a project's total cost.

(ORC 122.6511; Sections 259.10, 259.30, 512.230)

Demolition and Site Revitalization Program – Creates a new ODOD program, Building and Site Revitalization, to award grants for the demolition of commercial and residential buildings and revitalization of surrounding properties on sites that are not brownfields. The program receives an appropriation of $150 million in FY 2022. Unexpended amounts are carried over to FY 2023. ODOD must adopt rules to administer the program, including provisions for determining project and project sponsor eligibility, program administration, and any other necessary provisions. The program must be operational and accepting applications by the end of calendar year 2021.

The department must reserve $540,000 from the appropriated amount for each county. If a future appropriated amount is less than $44 million, a proportionate amount must be reserved. Amounts are reserved for one calendar year from the date of the appropriation. After one year, funds that are not reserved must be made available statewide on a first-come, first-served basis. Grants are limited to 75% of a project's total cost.

(ORC 122.6512; Sections 259.10, 259.30, 512.240)

ODOD iBELIEVE Program – Provides $200,000 per year for the iBELIEVE Foundation to provide opportunities for Appalachian youth to develop twenty-first century skills, including leadership, communication, and problem-solving for college access and retention.

(Sections 259.10, 259.30)

Main Street Job Recovery Program – Creates the Main Street Job Recovery Program in ODOD with a $250,000 appropriation in both fiscal years. The funds will be used by ODOD in coordination with a statewide community development organization to provide grants to nonprofit organizations to create permanent business development and employment opportunities targeted to low- and moderate-income individuals or individuals of the prison reentry population.

Grants will be awarded by ODOD based on the number of businesses created and expanded, the number of jobs created for low- and moderate-income individuals, and the amount of funds leveraged as a result of the program. Not later than June 30 of each year during the FY 2022-FY 2023 biennium, ODOD must submit a written report describing the outcomes of the program to the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives and the Ohio Legislative Service Commission.

(Section 259.20)

Advanced Energy Loan Programs – The ODOD Advanced Energy Loan Program is funded at $8.5 million in each fiscal year. The loans will be used to provide financial assistance to customers for eligible advanced energy projects for residential, commercial, and industrial, business, local government, educational institution, nonprofit and agriculture customers. The appropriation item may be used to match federal grant funding and to pay for the program's administrative costs.

(Sections 259.10, 259.30)

New Community Authorities – Permits a developer that leases land for at least a 99-year renewable term to establish a new community district as long as all of the following apply:

- The developer's new community district consists of at least five leases;
- The leases are subject to forfeiture for all of the following:
  - Failing to pay taxes and assessments;
  - Failing to pay an annual fee of up to one per cent of rent for sanitary purposes and improvements made to streets;
- Failing to keep the premises as required by sanitary and police regulations of the developer.
- The new community authority is established on or before December 31, 2021.

(ORC 349.01)

Transportation Improvement Districts – Permits the Speaker of the House of Representatives and President of the Senate to each appoint a nonvoting member to a transportation improvement district board of trustees. The member is not required to be a legislator.

(ORC 5540.02)

Geneva Lodge and Convention Center – Provides that ODNR must enter into an agreement, or modify any existing agreement or memorandum of understanding, with Ashtabula County to assume ownership and operation of the Geneva Lodge and Conference Center located in Ashtabula County by December 31, 2021. The agreement must require ODNR to purchase the facility for an amount that does not exceed the outstanding mortgage at the time of purchase. The agreement also must also require that ODNOR assume maintenance, operating, and any other costs associated with the facility.

(Section 715.20)

U.S. Route 36 and State Route 721 Traffic Study – Requires ODOT, in consultation with the county engineers of Miami County and Darke County, to conduct a traffic study for the intersection of US Route 36 and State Route 721. The traffic study must examine how to improve the intersection in ways that increase the safety and convenience of the traveling public, particularly examining if installing a traffic control signal will result in such an increase. ODOT must complete the traffic study by August 1, 2022.

(Section 755.30)

GENERAL GOVERNMENT AND OPERATIONS

Elections

Nongovernmental Support for Elections – Prohibits elections officials from accepting funds from a nongovernmental source or entity for most elections-related purposes. The provision does not apply to the collection of fees authorized by law, the use of a building to conduct an election, donations of food for poll workers, or funds deposited into the Address Confidentiality Program or the Women's Suffrage Centennial Commission Fund.

(ORC 3501.054)

Poll Workers Training Funding – Appropriates $234,196 in each fiscal year to be used to reimburse county boards of elections for precinct election official training required in ORC 3501.27. Any funds unexpended or unencumbered at the end of FY 2022 are reappropriated to FY 2023.

(Section 395.20, Appropriation line item 050407)

County Voting Systems Lease Rental Payments – Appropriates $12.5 million in each fiscal year to make payments during the period from July 1, 2021, through June 30, 2023, pursuant to leases and agreements entered into under Section 4 of SB 135 of the 132nd General Assembly with respect to financing the costs associated with the acquisition, development, installation, and implementation of county voting systems.

(Section 395.20, Appropriation line item 050509)

Political Subdivision Purchases through DAS – Allows a county board of elections to participate in DAS contracts for the purchase of supplies and services if DAS has authorized that county to participate in those contracts, rather than making the board apply separately. Clarifies that a county board of elections is permitted to purchase election supplies through DAS's cooperative purchasing program, through the Secretary of State's bulk purchasing program, or through other means. Authorizes DAS to permit political subdivisions of another state to participate in DAS contracts for the purchase of supplies and services.

(ORC 125.04, 3501.302)

Miscellaneous

Actuarial Study and Report of Post-Traumatic Stress Fund – In the 133rd General Assembly, the legislature passed a bill requiring the Ohio Police and Fire Pension Fund to perform an actuarial valuation and report on the State Post-Traumatic Stress Fund. The fund was created to provide coverage and benefits to first responders with PTSD. This provision of the budget permits the Board of Trustees of the Ohio Policy and Fire Pension Fund to use its actuary or a disinterested third-party actuary to perform the valuation. It also makes the due date for the study and report December 15, 2021.

(Sections 610.117, 610.118)

Auxiliary Container Restrictions – Makes permanent the following provisions from HB 242 of the 133rd General Assembly, which are set to expire on January 15, 2022: (1) prohibits a local government from imposing a tax, fee, assessment or other charge on auxiliary containers, the sale or consumption of auxiliary containers, or on the basis of receipts received from the sale of auxiliary containers; (2) authorizes a person to use an auxiliary container for purposes of commerce or otherwise; and (3) clarifies that existing law prohibiting the improper deposit of litter applies to auxiliary containers under the state anti-littering law.

(ORC 301.30, 504.04, 715.013, 3736.01, and 3736.021)

Park District Eminent Domain – Prohibits a park district created under ORC Chapter 1545 and located in a county with population between 220,000 and 240,000 from using eminent domain to provide a recreational trail. A recreational trail is defined as a public trail that is used for hiking, bicycling, horseback riding, ski touring, canoeing, or other nonmotorized forms of recreational travel. The prohibition expires on July 1, 2026. According to the 2020 Census, this provision applies to Lake and Mahoning counties.

(Section 715.05)

9-1-1 Government Assistance Fund – Changes the required disbursements from the Wireless 9-1-1 Government Assistance Fund to county treasurers from being made in the same proportion distributed to the county in the corresponding month in 2013 to the corresponding month in the prior calendar year. Requires any shortfalls in distributions due to the timing of funds received be distributed in the following month's allocation. There will be no fiscal effect as the disbursements from calendar year 2020 were identical to those made in 2013.

(ORC 128.55)

Agreements with Animal Shelters – Expands the types of entities with which a board of county commissioners may enter into a written agreement to operate as a dog pound on behalf of the county to include an animal shelter for dogs that (1) is suitable to act as a dog pound, and (2) maintains devices for humanely destroying dogs. Previously such agreements were only allowed with humane societies that operate animal shelters.

(ORC 955.15)

Court Settlements that Nullify, Suspend, or Conflict with the Revised Code – Prohibits a public official from settling a civil action in any way that nullifies, suspends, or conflicts with any provision of the Revised Code. States that any settlement that does so is void and has no legal effect. Specifies that this provision does not limit or restrict constitutional judicial authority.

(ORC 9.58)

Juneteenth – Establishes June 19, known as Juneteenth, as a legal holiday for which government employees generally receive paid leave and for which school districts may dismiss school.

(ORC 1.14, 5.2247, 124.19, 325.19, 511.10, 1345.21, 3313.63, and 3319.087)

HEALTH AND HUMAN SERVICES

Children Services

Increase in State Funding for Child Protection – Ohio increased its investment in the state child protection allocation by an additional $10 million per year, bringing the total investment to $135 million per year. This new funding will provide a base allocation of $200,000 for each county. Up to $5 million per year will be used for staffing for foster parent recruitment, engagement, and support. Up to $5 million per year will be used to strengthen best practices identified with the help of the Department of Job and Family Services. The remainder of the investment will be distributed according to the child protection allocation formula in ORC 5101.14.

(Section 307.90)

Children Services Fund Maintenance of Effort – The bill requires each county that was contributing local funds to the county's Children Services Fund in 2019 continue doing so in an amount to be determined by the director of the Department of Job and Family Services through rule. Local funds include general fund dollars and levy dollars. This language was included in temporary law, so it is currently only applicable to FY 2022 and FY 2023.

(Section 307.90)

Kinship Caregiver Program – Allocates $10 million per year from the TANF block grant to county departments of job and family services to fund the Kinship Caregiver Program which requires counties to offer subsidized services including child care for caregivers as part of the TANF Prevent, Retention and Contingency Program. The bill specifies that the program include family stabilization services and caregiving services. The language specifies that the county department of job and family services must enter into a memorandum of understanding with the public children services agency (PCSA) authorizing the expenditure of the funds for this purpose.

(Section 307.81)

Kinship Guardian Assistance Program – Requires the ODJFS Director to submit amendments to the state Title IV-E plan to make federal kinship guardianship assistance available on behalf of a child to relatives, and to any relative on behalf of a kinship guardianship young adult, within nine months after the effective date of the bill. Requires the state plan amendments to be implemented within 15 months after the effective date of the bill if certain conditions are met. $2.5 million in each fiscal year is included to fund this program.

(ORC 3119.10, 5101.141, 5101.1411, 5101.1415, 5101.1416, 5101.1417, 5101.802, 5107.10, and 5153.163, Appropriation line item 600450)

Bills of Rights for Foster Youth and Resource Families – Requires ODJFS to adopt by rule a Foster Youth Bill of Rights and a Resource Family Bill of Rights. If the two rules conflict, the Foster Youth Bill of Rights prevails. "Resource family" is defined as a foster home or the kinship caregiver family.

(ORC 2151.011, 2151.316, 5103.02, and 5103.163)

Requirements for Concurrent Planning – The bill replaces the permissive authority with a mandate that the PCSA or the private child placing agency (PCPA) include a permanency plan in the case plans for all children in temporary custody. This provision is effective January 1, 2023.

(ORC 2151.412)

Requirements for Family-Finding and Due Diligence – Requires PCSAs and PCPAs with temporary custody of a child or a child placed in a planned permanent living arrangement to make intensive efforts to identify potential kinship caregivers using search technology. Allows a court to issue an order determining that a child's current placement is in the child's best interest and that further intensive efforts at finding kinship caregivers are unnecessary if several conditions are met, including: that the child has lived with the current caregivers for the past 12 consecutive months and/or that a kinship caregiver has not expressed interest in caring for the child within six months of receiving notice.

(ORC 2151.4115, 2151.4116, 3151.4117, 2151.4118, 2151.4119, 2151.4120, 2151.4121, 2151.4122, and 2151.416)

Court order to interview and examine a child – Allows a juvenile court, if it determines probable cause exists, to issue an order, without a hearing, authorizing a PCSA to interview or examine a child who may be abused, neglected, or dependent if the child's parent, guardian, custodian, or caretaker refuses the PCSA reasonable access to the child. Requires that a PCSA request the order and submit a sworn affidavit detailing the facts that would support the order. Specifies that the order is not a final, appealable order, which means that the order may not be reviewed, affirmed, modified, or reversed, with or without trial.

(ORC 2151.25, 2151.23)

Adult Protective Services

Adult Protective Services – Adult protective services received an increase of $1.49 million per year for a total allocation of $5.72 million per year. These funds will be distributed equally among the 88 counties, resulting in about $65,000 per county.

(Section 307.130, Appropriation line item 600534)

Child Support

Child Support – Child support enforcement agencies received an increase of $2.94 million per year in the state match allocation, bringing the total allocation to $26.4 million per year. This is the first increase in this line-item since 2012.

(Appropriation line item 600502)

Public Assistance

Income Maintenance (Local Program Support) – County job and family services agencies received a $1 million increase in SNAP administrative dollars and a $1 million increase in Medicaid administrative dollars in FY 2022. Additionally, $2.5 million has been earmarked in each year of the biennium to assist counties in Medicaid eligibility work. Another $2.5 million was added annually to assist county agencies with fraud prevention and detection efforts.

(Appropriation line items 600521, 655522, Section 333.150)

Post-COVID Medicaid Redetermination – Once the federal COVID-19 emergency is lifted, the bill establishes the amount of time in which the Ohio Department of Medicaid must conduct and act on any redetermination of a Medicaid recipient at 90 days after receiving approval from the U.S. Centers for Medicare and Medicaid Services. It further authorizes a county department of job and family services assisting ODM with conducting and acting on redeterminations up to 30 additional days to act on redetermination.

(Section 333.255)

New Hire Data Check – Requires the ODJFS Director to check the Ohio New Hire Reporting Center, the National Directory of New Hires, and the Integrity Data Hub when determining whether an initial application is valid or whether a first claim or additional claim qualifies an individual for benefits.

(ORC 4141.286)

County Fraud Program – Requires county departments of job and family services to participate in a no-cost, 90-day pilot program under which the county department must contract with a third-party commercial consumer reporting agency to assist with improving the timeliness of benefit deliveries, maximizing operational efficiencies, increasing cost savings, and minimizing fraud within SNAP, Medicaid, and TANF programs.

Permits ODJFS to contract with a third-party commercial consumer reporting agency to assist with improving the timeliness of benefit deliveries, maximizing operational efficiencies, increasing cost savings, and minimizing fraud within SNAP, Medicaid, and TANF programs.

Requires both ODJFS and county departments of job and family services to undertake efforts to incorporate real-time employment and income information into existing verification and eligibility determination procedures.

Requires the ODJFS Director to enter into several data matching agreements for the purpose of determining eligibility of certain public assistance recipients.

Requires DAS to work with ODJFS and ODM to deploy private sector tools for digital identity management, authentication, and verification for individuals receiving public assistance.

(ORC 5101.04, 5101.041, 125.70, 5120.212, Section 307.290)

Suspicious EBT Card Transactions – Requires ODJFS to collect information on suspicious electronic benefit transfer card transactions and provide the information to each impacted county department for analysis and investigation.

(ORC 5101.54, 5101.546, 5101.547, 5101.548)

Employment Incentive Program – Allows a county department of job and family services to develop an employment incentive program. If the county wishes to develop a program, the plan must be submitted to ODJFS as a part of the county's Prevention, Retention and Contingency Plan. The bill makes $2.5 million in each fiscal year available to fund these programs. The funds can be used to incentivize individuals who are either currently enrolled or recently stopped participating in SNAP, Medicaid, or a TANF employment and to provide outreach, referral, application assistance, and other services to assist individuals to receive incentives through this program and any related supportive services to stabilize their employment.

(Section 307.152, Appropriation line item 600560)

Public Assistance Benefits Accountability Task Force – Establishes the Public Assistance Benefits Accountability Task Force consisting of 15 members, including a director of a county department of job and family services and a director of a child support enforcement agency. The task force is charged with reviewing the following:

1. Determining to what extent the recommendations in the State Auditor's report of Ohio's Medicaid Eligibility Determination Process have been adopted.
2. Past and present welfare-to-work county programs and their effectiveness on assisting individuals in achieving employment.
3. Existing fraud prevention efforts at the state and county levels to determine best practices for fraud prevention in the SNAP, Medicaid, Ohio Works First, and publicly funded child care programs.
4. Best practices on how overpayments in the SNAP, Medicaid, and publicly funded child care programs can be prevented at the state and county level.
5. Best practices in public assistance case processing that create efficiencies and reduce errors through the use of technology.
6. The length of time that individuals receive public assistance benefits in the state and ways to return individuals to the workforce.
7. Existing efforts to ensure compliance with child support enforcement across public assistance benefit programs and recommend additional ways compliance could be improved.
8. The costs and benefits associated with implementing a requirement that each SNAP debit card include a color photograph of at least one adult member of the household.

No later than 18 months of meeting, the task force must submit a report to the General Assembly.

(Section 307.300)

Task Force on Streamlining County Level-Information Access – The bill creates the Task Force on Streamlining County Level-Information Access to make recommendations on streamlining information access across information technology systems for county departments of job and family services, child support enforcement agencies, public children services agencies, and county OhioMeansJobs centers. Members of the Task Force include the following:

- 2 Members of the House of Representatives
- 2 Members of the Senate
- Director of the Ohio Department of Job and Family Services or designee
- Director of the Ohio Department of Medicaid or designee
- Director of the Ohio Department of Administrative Services or designee
- 3 representatives of the Ohio Job and Family Services Directors Association representing on small county, one medium county, and one large county
- 3 representatives of the Public Children Services Association of Ohio representing on small county, one medium county, and one large county
- 3 representatives of the Ohio Child Support Enforcement Agencies Directors' Association representing on small county, one medium county, and one large county
- 3 representatives of the County Commissioners Association of Ohio representing on small county, one medium county, and one large county
- 2 representatives of the Ohio Workforce Association, representing one rural county and one metropolitan county

The Task Force's final report must be submitted to the General Assembly by February 1, 2022.

(Section 751.10)

Workforce

Local Workforce Development Board Virtual Meeting Authority – The bill allows local workforce development boards to hold meetings by interactive video conference or teleconference. The statute states that video conferencing is preferred. Any board that wishes to hold virtual meetings must adopt rules that require meetings to be conducted in a certain manner outlined in statute. The board must establish a minimum number of members who must be physically present at the primary meeting location.

(ORC 6301.06)

Child Care

Eligibility For Publicly Funded Child Care – Increases the maximum amount of income that a family may have to be eligible for publicly funded childcare to 142% of the federal poverty level (FPL) and 150% FPL for initial eligibility in the case of special needs care or 300% FPL for continued eligibility. Requires that the eligibility period last for at least 12 months.

(Section 307.280)

Step Up to Quality Ratings – The bill removes the requirement that all child care programs providing publicly funded child care must be rated in the third tier or higher of Step Up to Quality by June 30, 2025.

(ORC 5104.29, 5104.31)

General Assembly Evaluation of Step Up to Quality (SUTQ) Program and Publicly Funded Child Care (PFCC) – The bill creates a legislative study committee to evaluate the following:

1. The number of children and families receiving PFCC.
2. The number of early learning and development programs participating in SUTQ and receiving PFCC.
3. Funding sources for PFCC and SUTQ.
4. Long-term sustainability of the funding sources.
5. Eligibility for PFCC.
6. Issues regarding access to PFCC and quality-rated learning and development programs.
7. How ODJFS establishes reimbursement ceilings for PFCC, including through the use of market rate surveys.
8. The number of child care providers licensed by ODJFS.
9. The administrative burdens that result from obtaining and maintaining a quality rating.
10. Alternative criteria by which a child daycare center or family day-care home that enrolls a low census of children receiving PFCC may obtain a one-star rating in SUTQ.

By December 31, 2021, the study committee shall recommend alternative criteria by which a child day-care center or family day-care home that enrolls a low census of children receiving publicly funded child care may obtain a one-star rating in SUTQ. The study committee's final report must be issued by December 1, 2022.

(Section 307.250)

Federal Funds for Publicly Funded Child Care – In FY 2022, earmarks $50 million of federal dollars from the Consolidated Appropriations Act, 2021 to be used to provide discounted co-pays for families participating in publicly funded child care. Additionally, requires that any Consolidated Appropriations Act funds not previously appropriated be used to assist with stabilizing and sustaining the child care program, improve workforce recruitment, and retention and increase access for families. Requires any Child Care Development Fund supplemental discretionary funds from the American Rescue Plan Act that Ohio receives be used to assist with stabilizing and sustaining the child care program, improve workforce recruitment and retention, and increase access for families.

(Section 307.270)

Family and Children First

Transfer of Ohio Family and Children First Council – The fiscal and administrative agent duties for the Ohio Family and Children First Cabinet Council were transferred from Ohio Mental Health and Addiction Services to the Ohio Department of Job and Family Services.

(Section 307.109)

Local Family and Children First Council Funding – The line item that houses funds for county Family and Children First Councils was transferred to the Ohio Department of Job and Family Services. It is flat funded at $1.39 million per year.

(Appropriation line item 600451)

Ohio Family and Children First Council funding – The line item that houses funds for the administration of the Ohio Family and Children First Council was transferred to the Ohio Department of Job and Family Services. The funds were increased by $500,000 in each year for a total of $1.1 million per year to allow the Council to expand partnerships with state agencies in multi-system activities.

(Appropriation line item 600644)

Family and Children First Flexible Spending Pool – County family and children first councils are permitted to create a flexible funding pool to assure access to services by families, children and seniors in need of protective services.

(Section 307.110)

Multi-System Youth

Funding for Children in Custody – Multi-system youth are those in need of services from two or more of the following systems: child protective services, mental health and addiction services, developmental disabilities services, and juvenile court. The bill allocates $25.0 million from the GRF per year to assist counties in providing services to multi-system youth. These funds may be used for youth currently in the custody of a PCSA or to prevent children from entering the custody of a PCSA by custody relinquishment or another mechanism. The ODJFS director has rulemaking authority with respect to these funds.

(Section 307.90)

Funding to Prevent Custody Relinquishment – The Department of Medicaid “Multi-System Youth Custody Relinquishment Fund,” created last biennium, received an increase of $4 million, for a total of $16 million in each fiscal year. This fund is to be used to obtain services consistent with the multi-system youth action plan developed by the Ohio Family and Children First Council.

(Appropriation line item 651690)

Department of Developmental Disabilities Funding – The multi-system youth line item in the Department of Developmental Disabilities was increased $1.5 million in each year for a total of $2.5 million in FY 2022 and $4.0 million in FY 2023. These funds are used to provide a subsidy to eligible county boards of developmental disabilities to provide respite and other services for multi-system youth to enable them to remain in their homes or in their communities.

(Section 261.40, Appropriation line item 322422)

Department of Health

Expanded Program for Medically Handicapped Children Eligibility – Expands eligibility for the Program for Medically Handicapped Children by increasing the maximum age of participants from 21 to 22 beginning on July 1, 2021 and from 22 to 23 beginning on July 1, 2022. Appropriates an additional $500,000 in each year to pay for this expansion.

(ORC 3701.021, 3701.022)

City Health Districts Merger Study – Requires each city with a population less than 50,000 served by a board of health of a city health district to complete a study evaluating the efficiency and effectiveness of merging with the general health district that includes the city for the administration of health affairs in the merged general health district. City health districts that are accredited by December 31, 2025 are exempt. The Ohio Department of Health (ODH) will develop the criteria used in the study. Up to $6 million from existing non-GRF appropriations may be used for the purpose of studying these mergers, subject to approval from the Controlling Board.

(ORC 3701.13, 3709.012, 3709.052, 3709.06, 3709.07)

Drug Overdose Fatality Review Committees; Suicide Fatality Review Committees – The bill creates a permissive authority for county commissioners to create regional or county drug overdose fatality review committees and suicide fatality review committees, or a hybrid committee to study both.

(ORC 121.22, 307.631-307.639, 307.641-307.649, 307.6410, 2151.421, 3701.0410, 3701.0411, 4729.80, 4729.86, 4731.22)

Help Me Grow Program and Report – Appropriates an additional $1.95 million in FY 2022 for a total of $41.2 million in each fiscal year for the Help Me Grow program, Ohio's evidence-based home visiting program for at-risk, expectant mothers, and families of young children. Requires that a Help Me Grow program report that includes the number of families in the program who are eligible for Medicaid and TANF and recommendations for using funds association with Medicaid and TANF to provide services through Help Me Grow be submitted to the chairperson and ranking minority member of the health committee and finance committee in each legislative chamber.

(Section 291.70, Appropriation line item 440459)

Hospital Licensure – Requires a hospital to be licensed by ODH within three years of the bill's effective date, rather than registered as under current law. The bill requires ODH to adopt rules establishing fees for initial applications, license renewals, license transfers, inspections conducted, as well as standards and procedures for imposing civil penalties. Requires ODH, when adopting rules establishing fee amounts, to limit the amounts to what is necessary to support the hospital licensure program. Provides that, in the case of inspection fees, the amounts must cover only the cost of inspections. Requires the Director of Health to adopt rules governing changes to a hospital's license, including address changes, as well as rules governing the eligibility of new hospitals for licensure. Requires the Director of Health to collaborate with the hospital industry to maximize the rules' public health utility and to limit the administrative burden and costs of compliance. Additional details regarding civil penalties, inspections, and other administrative functions of the licensing program.

(ORC 3722.02, 3722.01, 3722.03-3722.14, 3722.99, 111.15, 140.01, 3701.07, 3701.351, 3701.503, 3701.5010, 3701.63, 3701.69, 3701.83, 3702.30, 3702.31, 3702.51, 3702.52, 3702.521, 3702.55, 3702.592, 3702.593, 3705.30, 3705.41, 3711.01, 3711.02, 3711.04-3711.06, 3711.10, 3711.12, 3711.14, 3711.30, 3727.01-3727.07, 3727.70, 3727.99, 3781.112, 3901.40, 3929.67, 4723.431, 4723.481, 4730.411, 4731.31, 4761.01; Repealed: 3702.11-3702.20, 3727.01-3727.07, 3727.99)

County Boards of Developmental Disabilities

County Board of DD Waiver Allocation Plan and Business/Medicaid Managers – Reinstates requirements that county boards of developmental disabilities (DD) employ business managers and Medicaid managers. Makes several changes to county board reporting requirements relative to waiver allocation. Requires each county board of DD to submit to the Department of Developmental Disabilities an annual projection of the number of individuals to whom the board intends to provide home and community-based services based on available funding. The bill also eliminates law that allows county boards to receive a subsidy from the department to employ a business manager. The department does not believe any subsidies for this purpose have ever been provided.

(ORC 5126.054, 5126.055, and 5126.056; repealed ORC 5123.046, 5126.121)

County Board of DD Annual Cost Reports – The bill makes audits of annual county board of DD cost reports discretionary. Previously the audits were mandatory.

(ORC 5126.05 and 5126.131; repealed ORC 5126.12)

Release of Records and Reports by County Boards of DD – Permits a county board of DD to disclose a person's identifying information for guardianship proceedings.

(ORC 5123.89 and 5126.044)

Mental Health and Addiction Services

Recovery Housing – Appropriates an additional $500,000 for a total of $3 million in each fiscal year to expand access to recovery housing. The Department of Mental Health and Addiction Services administers these funds.

(Section 335.70, Appropriation line item 336424)

Mental Health Crisis Stabilization Centers – Appropriates $1.5 million in each fiscal year to the ADAMHS boards to establish and administer six mental health crisis stabilization centers. Each board must use its allocation to establish and administer a stabilization center in collaboration with the other ADAMHS boards that serve the same state psychiatric hospital region. At least one center is to be located in each of the six state psychiatric hospital regions established by the Department of Mental Health and Addiction Services.

(Section 337.40, Appropriation line item 336600)

Substance Abuse Stabilization Centers – Requires funding in DPF fund 5TZ0 appropriation item 336600, Substance Abuse Stabilization Centers, to be used to establish and administer, in collaboration with other boards that serve the same state psychiatric hospital region, substance use disorder stabilization centers or, if approved by the director of Ohio Mental Health and Addiction Services, permits funds to be used in conjunction with GRF appropriation item 336421, Continuum of Care Services, to establish and administer crisis stabilization centers that meet specified criteria. Requires one center to be located in each state psychiatric hospital region.

(Section 337.130, Appropriation line item 336600)

Miscellaneous

TANF Spending Plan – Requires ODJFS to submit a TANF spending plan to the governor that outlines the anticipated spending in the block grant. The governor must submit his TANF spending plan to the General Assembly as an appendix to the executive version of the budget.

(ORC 5101.806, 107.03)

Prescription Drug Transparency and Affordability Advisory Council – Abolishes the council on the bill's effective date. Permits the Joint Medicaid Oversight Committee (JMOC) to examine any of the topics described in the report on various aspects of the state's prescription drug purchasing programs previously prepared by the Council if requested by any JMOC member.

(ORC 125.95)

JUSTICE AND PUBLIC SAFETY

Indigent Defense – A Major Victory and Success Story for County Government – According to the United States Supreme Court, indigent defense is a responsibility of the state. The appropriations are at a level that the Office of the State Public Defender estimates will provide full reimbursement for the counties' indigent defense costs. The state's assumption of full financial responsibility for indigent defense is a critical element of a more efficient and effective indigent defense system and a stronger working relationship between the state and its counties.

The final appropriations contained in HB 110 are:

Line Item	Subject	FY 2022	FY 2023
GRF 019501	County Reimbursement	$ 132,197,392	$ 136,138,934
GRF 019403	Multi-County: State Share	$ 4,881,554	$ 5,076,816
GRF 019404	Trumbull County - State Share	$ 2,063,870	$ 2,146,425

Probate Court Adoption Expense – In December 2020 the Ohio Supreme Court held that indigent parents facing loss of their parental rights in adoption proceedings in probate court were entitled to counsel. Since this new mandate arose after budget submission and there was no data available to estimate cost impact, the State Public Defender recommended, CCAO supported and the budget added an additional $3 million to the County Reimbursement line item (ALI 019501)in each year and earmarked that amount to be used to reimburse counties for the costs and expenses of providing legal representation to indigent persons in adoption proceedings.

Counties appreciate that Ohio took significant strides in the FY 2020/FY 2021 biennial budget toward fully funding indigent defense. First, the state eliminated the statutory provision limiting reimbursement to 50%. Second, the state increased General Revenue Fund (GRF) funding to a level where reimbursement was projected to be approximately 70% during FY 2020 and 90% during FY 2021. The actual reimbursement rate for both years was 75% since state budget cuts due to the COVID pandemic impacted the FY 2021 percentage.

Considering that the reimbursement rate averaged 40% between 2010 and 2019, receiving what is anticipated to be full reimbursement in FY 2022 will reduce a major cost center for county government. While the reimbursement piece may have been accomplished, the next and final step necessary to take is the transfer of the delivery system to the state, relieving the county of any responsibility for the provision of indigent defense services.

(Section 371.10)

Department of Rehabilitation and Correction

T-CAP Program Expanded to Include Felony 4 Offenders – The Targeting Community Alternatives to Prison (T-CAP) program was expanded to include Felony 4 along with the current Felony 5 offenders and funding for the T-CAP program was increase $7.2 million in each year beyond. T-CAP provides unrestricted grant funding to counties to underwrite the costs of retaining offenders who have been convicted of a non-violent, non-sex related offense in the county jail rather than sending these offenders to prison.

The program is a Community Corrections Act (CCA) grant-funded program with DRC awarding grants to the participating county common pleas courts. Use of the grant funds is unrestricted, however, they may not be used to buy or build a building. The grant application must be accompanied by a memorandum of understanding that has been entered into by the commissioners, sheriff and common pleas court that outlines how the T-CAP grant funds will be utilized and establishes the average daily jail cost that will be used to calculate the amount of grant funds utilized for jail housing for Felony 5 offenders the common pleas court sentences to serve time in the county jail.

(ORC 2929.34, 5149.38)

Community Corrections Act Funding – Community Corrections Act (CCA) line items support felony prison diversion (407 line item) and misdemeanant jail diversion (408 line item) programs in the local communities.

The 408 line item "Community Misdemeanor Programs" has traditionally provided grants to counties and cities to operate pretrial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail. The program was flat funded at the previous biennium's level of $9.3 million in each year.

The 407 line item "Community Nonresidential Programs" includes the Probation Improvement and Probation Incentive Grant programs (PIIG Grants), T-CAP funding and the SMART Ohio Grants. This program funding was increased by $7.2 million in each year which was allocated to the T-CAP program and is funded at $67.6 million in both year of the biennium.

(Appropriation line items 501408, 501407)

Department of Youth Services

RECLAIM – Continues funding for the RECLAIM (Reasoned and Equitable Community and Local Alternatives to the Incarceration of Minors) program at current levels of $30.6 M per fiscal year, which has remained unchanged since FY 2011. RECLAIM is intended to reduce the number of youth sentenced to DYS custody and provides as much as half of a juvenile court's annual budget. Funding is allocated to counties through a formula based upon each county's proportion of statewide felony delinquent adjudications. The budget also provides additional funding for two special RECLAIM programs.

(Appropriation line item 470401)

Youth Services Subsidy – Continues to provide $16.7 million per fiscal year, as it has done since FY 2011. Under the Youth Services Block Grant, money is distributed to juvenile courts according to a set formula. Each juvenile court is guaranteed a base of $50,000 plus additional funding on a per capita basis for counties with a population over 25,000.

(Appropriation line item 470510)

Mental Health and Addiction

Psychotropic Drug Reimbursement Program – This program provides reimbursement to county jails from Ohio Department of Mental Health and Addiction Services for psychotropic drugs dispensed to inmates. Funding was increased by $500,000 to $3 million per fiscal year. Any of the FY 2022 allocation that is unexpended and unencumbered is re-appropriated for expenditure in FY 2023.

(ORC 5119.19, Section 337.50, Appropriation 336422)

Reimbursement Program for Opioid-Related Treatment with Drugs in County Jails – Establishes a program to reimburse counties for the cost of drugs that are administered to inmates of county jails in medication assisted treatment or in withdrawal management or detoxification for both opioids and alcohol. Treatment drugs include those approved by the FDA and drugs in standard use for those conditions. The program will be administered by the Ohio Department of Mental Health and Addiction Services. $2 million in each fiscal year is earmarked for this program. This program is separate from the Psychotropic Drug Reimbursement Program.

(ORC 5119.191, Section 337.50, Appropriation line item 336422)

Specialized Docket Support – Continues the funding to subsidize courts operating a specialized docket by providing $10.25 million in each fiscal year, a $250,000 increase, through GRF appropriation item 336425, Specialized Docket Support. The subsidy is to be used to defray a portion of the annual payroll costs associated with the operation of the specialized docket of a common pleas court, municipal court, county court, juvenile court, or family court that meets all eligibility requirements, including a family dependency treatment docket.

(Section 337.80)

Substance Use Disorder Treatment in Specialized Docket Programs – Expands this program to include services for withdrawal management or detoxification and the drugs used in providing those services, both FDA approved and drugs in standard use for those conditions. Emphasizes that supports provided in collaboration with a Medication Assisted Treatment drug court must be provided by a community addiction services provider. Specifies that there are no prior authorization or step therapies for program participants to have access to any drug provided under this program.

(Section 337.60)

Miscellaneous

MARCS Fee Offsets – HB 110 provides $2.5 million per fiscal year to fund Multi-Agency Radio Communications System (MARCS) local subscriber fee offsets. This is a $500,000 increase in appropriations as compared to FY 2021. These funds are used to help offset local subscriber fees paid by local governments for use of MARCS radios by emergency response personnel.

(Appropriation line item 100501)

Fire Department Grants (MARCS Grants) – Up to $3.5 million in each fiscal year is earmarked from the Fire Department Grants Fund (Department of Commerce, Division of State Fire Marshal) to be awarded to small and rural fire departments who are on the MARCS system for the payment of MARCS user access fees. MARCS grant awards may be up to $50,000 in each fiscal year per eligible recipient.

(Section 243.20)

Body Cameras Funding – Provides up to $5,000,000 in each year of the biennium to the Office of Criminal Justice Services to administer and distribute grants to state and local law enforcement agencies for body-worn camera programs.

(Section 373.20)

Funding of Annual Training of Peace Officers and Troopers – Requires the Attorney General to create and administer a one-year pilot program in calendar year 2022 for state funding of the training of peace officers and troopers that is required under ORC 109.803. Specifies that the pilot program is the only state funding that will be provided in calendar year 2022 for the training of such peace officers and troopers that is required under that section. Appropriates $15 million in FY 2022 for the training and administration of the training.

Requires each law enforcement agency, not later than December 2, 2021, to certify to the Attorney General the total of all salaries to be paid in calendar year 2022 to officers or troopers of the agency who will receive that training in calendar year 2022 and the hourly rate of pay for each of those officers and troopers.

Requires the Attorney General to pay each law enforcement agency an amount to cover up to 50% of the total cost of the salaries of the officers or troopers of the agency to be paid to officers or troopers who will receive that training in calendar year 2022, as certified by the agency, during the period of the training. Specifies that the amounts to be paid cover only the period during which the officers or troopers are receiving that training and not exceed an amount covering twenty-four hours of the training.

Requires each law enforcement agency that receives money to submit to the Attorney General a report that states the amount of money the agency received, how that money was used, when it was used, and any other information with respect to the use of the money that is required by the Attorney General. Requires the Attorney General to prepare a report that compiles the information in the reports received from law enforcement agencies and submit the report to the General Assembly and the Legislative Service Commission.

(Sections 701.70, 221.30, Appropriation line item 055509)

Coroner Reimbursement for Toxicology Screenings – Appropriates $1 million in each fiscal year in DPF Fund 5TZ0 440621, Toxicology Screenings, to be used to reimburse county coroners in counties in which the coroner has performed toxicology screenings on a victim of a drug overdose. The director of the Ohio Department of Health is to allocate the funds to counties in proportion to the numbers of toxicology screenings performed per county.

(Section 291.20)

TAXATION AND FINANCE

Sales Tax

County Sales Tax for Detention Facility Operation – Includes funding a detention facility's operations as an allowable usage for certain county sales taxes levied to fund the construction, acquisition, equipping, and/or repair of such a facility.

In HB 166, the main operating budget for the 133rd General Assembly, counties (with the exception of charter counties) were given permissive authority to enact a special sales tax for the construction or renovation of a detention center of up to 0.5%, provided the transit authority in the county has not used all of its 1.5% sales tax authority. This is the only circumstance in which a county may exceed the statutory limitation of a 1.5% sales tax rate.

The budget expands the allowable uses for this authority to include operating the detention facility. This provides increased flexibility to counties that had struggled to fund the operation of these facilities out of general revenue funds, particularly the 52 counties (as of May 2021) that are already at the statutory limit of levying "traditional" sales tax.

Counties that have already enacted the special sales tax may begin using funds generated by the tax for facility operations on the bill's effective date. Otherwise, counties must comply with existing law specifying that the special sales tax must be approved by the county's voters.

(ORC 5739.021)

Employment Services Sales Tax Exemption – Exempts employment services and job placement services from the sales tax. These services include assisting job-seekers find employment, providing personnel to perform work under the supervision of a purchaser, and locating job candidates for an employer. The Department of Taxation estimates that counties and transit authorities will lose $25.6 million in sales tax revenue in FY 2022 and $38.5 million in FY 2023. Additionally, the LGF may lose up to $8 million over the biennium.

(ORC 5739.01, 5739.02, 5739.03, Section 803.93)

Sales Tax Exemption for Metal Bullion – Reinstates the sales tax exemption for investment bullion and coins (the exemption was previously eliminated in HB 166, the main operating budget of the 133rd General Assembly). Lost revenue for counties and transit authorities is estimated to be about $1.1 million in FY 2022 and $1.7 million in FY 2023. Losses to the LGF may be up to $500,000 over the biennium.

(ORC 5739.02, Section 803.93)

Local Government Fund – While the budget does not contain any permanent or temporary law that affects the structure of the Local Government Fund (with the exception of the income tax cuts and sales tax exemptions that will decrease the size of the Fund noted elsewhere), a temporary law provision in the HB 166, the main operating budget of the 133rd General Assembly, that increased the share of GRF tax revenue transferred to the LGF from 1.66% to 1.68% for that biennium was not continued. The share of GRF tax revenue that will be distributed through the Local Government Fund in the current biennium will revert to the statutory rate of 1.66%. The budget appropriates $427 million in FY 2022 and $443 million in FY 2023 to the LGF. Both are less than the FY 2021 appropriation of $452.1 million.

(Appropriation line item 110969)

Property Tax

Improper Homestead Tax Exemption Recovery – Places a charge on real property, manufactured homes, and mobile homes that receive a homestead exemption if the property owner or occupant fails to notify the county auditor that they no longer qualify for the exemption. The charge is to equal the tax savings, plus applicable interest, for each tax year that the owner or occupant received the exemption despite being ineligible for it. Interest is calculated in the same manner as delinquent property taxes.

County auditors already can recoup lost taxes due to ineligible claimants of the owner-occupancy property tax credit. This extends the authority to the homestead exemption as well.

(ORC 4503.066, 323.153)

Disability Housing Property Tax Exemption – Expands eligibility for the property tax exemption for properties used to provide housing to persons with developmental disabilities by removing the requirement that the charitable organization owning the property receive funding from at least one county board of developmental disabilities. The change allows the property owner to contract with an entity that receives at least a portion of its funding from a county board of developmental disabilities, where the contracted entity performs services for individuals who lease the property for use as housing, provided that the property owner qualifies as a 501(c)(3) charitable organization. The exemption is limited to just the property value of the portions used by residents who are eligible for certain Medicaid-funded services and common areas used by all residents. Property tax revenue losses will vary by county, subject to the amount of such properties within their jurisdiction.

(ORC 5709.121, Section 803.30)

Fraternal Organization Property Tax Exemption – Extends the existing property tax exemption available for certain properties owned by fraternal organizations to those organizations that have operated in Ohio for at least 85 years and operate under a national governing body. The current exemption is only available to such organizations operating under a state operating body. Property tax revenue loss is likely to be minimal, as it is unclear how many organizations will benefit from the qualification expansion.

(ORC 5709.17; Section 803.150)

Property Tax Exemption Qualification Notification – Requires the owner(s) of tax-exempt property to notify the county auditor if the property no longer qualifies for an exemption on or before the last day of the tax year for which the property ceases to qualify. If the owner does not give notice, they must pay a charge on the property equal to the tax savings they erroneously received for up to the five preceding tax years. If property owners believe that they were wrongly charged the penalty, they may file an exemption application to the Tax Commissioner.

(ORC 5713.083, Section 803.190)

Extension of Property Tax Exemption for Qualified Energy Projects – Extends deadlines related to qualified energy projects using renewable sources by two years. The deadline to apply to the Department of Development for certification as a qualified energy project will be December 31, 2024. Project owners must apply to the Power Siting Board on or before December 31, 2025, and the construction of the facility must begin by December 31, 2025. The facility must be placed in service before January 1, 2026. While counties may lose property tax revenue if exemptions are granted, if the energy capacity for a project is greater than 20 megawatts, the county commissioners must approve the tax exemption. If the exemption is approved, the owner or lessee of the project must make payment in lieu of taxes equal to a certain amount per megawatt.

(ORC 5727.75)

Property Tax Abatement for Charitable Use Property – Creates a temporary procedure through which a 501(c)(3) organization that acquired property from a school district may apply for a tax exemption and the abatement of more than three years of unpaid property taxes, penalties, and interest, provided that the organization qualifies for the charitable use exemption. This provision appears to apply to a single property owner in Stark County but may be applicable elsewhere. The procedure is eliminated 12 months after the bill's effective date.

(Section 757.50)

Subsidized Housing Study Committee – Creates the Federally Subsidized Housing Study Committee and requires it to produce a report on recommendations regarding the valuable and valuation process for federally-subsidized residential rental property. The report must be submitted to the General Assembly no later than July 1, 2022. Among others, the Committee will have a member appointed by the Governor from both the County Auditors Association of Ohio and the County Commissioners Association of Ohio. Members of the committee will not receive compensation.

(Section 757.70)

Tax Reimbursements for Department of Natural Resources Land – Requires the Director of Natural Resources to annually reimburse taxing units for a portion of foregone property tax revenue resulting from the state's acquisition of certain DNR land acquired since 2018. The payments must be equal to 2.5% of the land's unimproved taxable value in the year the land was acquired. Of the payments, 60% will be allocated to school districts and the remaining 40% to all other taxing units.

These provisions apply to property in Morgan, Muskingum, and Noble counties, with payments totaling less than $1 million each year. The amount allocated to county entities will depend on how much of the qualifying land is located within their taxing boundaries.

(ORC 1501.29, 1531.17, 1546.21)

Special Assessment Exemption for Nonprofit Arts Institution (Montgomery County) – Exempts qualifying real property owned and operated by a nonprofit arts institution, or owned and operated by a limited liability company whose sole member is a nonprofit arts institution, from special assessments levied by a municipal corporation or a conservancy district. The provision only applies in a county with a population greater than 500,000 and less than 540,000 (Montgomery County), and the institution may not have delinquent assessments from prior years. If assessments have already been paid for tax years 2020 to 2024, the county auditor and treasurer must provide a refund.

(ORC 727.031, 1710.06, Section 803.30)

Nonprofit Arts Institution Parking Garage Property Tax Exemption – Provides a charitable exemption from property taxes for a parking garage owned by a nonprofit arts institution for tax years 2020 to 2024. The parking garage must either be owned and operated by a nonprofit arts institution or owned and operated by a limited liability company whose sole member is a nonprofit arts institution. The nonprofit arts institution must be exempt under section 501(a) of the Internal Revenue Code and have as its primary purpose to host or present performances in music, dramatics, the arts, and related fields in order to foster public interest and education. If taxes are paid for tax years 2020 to 2024, then the arts institution may apply to the Ohio Tax Commissioner for a refund. For tax year 2020, the application for an exemption must be filed with the Tax Commissioner by October 30, 2021.

(ORC 5709.121, Section 803.30)

Other Taxes

Personal Income Tax Rate Reduction – Reduces personal income tax rates by 3% for tax year (TY) 2021 and each year thereafter. Additionally, beginning in TY 2022, the top tax bracket is eliminated, and the next-to-top bracket's rate is reduced from 4.41% to 3.99%. Beginning in TY 2021, the minimum taxable income one must earn to pay the state income tax is increased from $22,150 to $25,000. Inflation adjustments to tax brackets is suspended for TY 2021.

The Legislative Service Commission (LSC) estimates that all-funds revenue losses will total $915.8 million in state fiscal year (FY) 2022 and $784.5 million in FY 2023. The Local Government Fund will bear 1.66% of these losses, totally about $15.2 million in FY 2022 and $13.0 million in FY 2023. Losses to individual counties will depend on how the undivided Local Government Fund is distributed to subdivisions in each county.

(ORC 5747.02, Section 803.97)

Tax Expenditure Review Committee Repeal – Eliminates the Tax Expenditure Review Committee and its reporting duties, as well as repealing a provision recommending that any bill proposing the enactment or modification of a tax expenditure include a statement of the bill's intent.

(ORC 107.03, repeal of ORC 5703.95)

Local Gross Receipts Taxes on Medical Marijuana – Prohibits local governments from imposing taxes or fees (or one that is the same or similar to any imposed by the state) on the gross receipts of medical marijuana businesses.

(ORC 3796.31)

Additional Lodging Tax for Lorain County – Allows a county with a population between 300,000 and 350,000 and which already levies a 3% lodging tax (effectively applying only to Lorain County) to levy, subject to voter approval, an additional 3% lodging tax for the purposes of constructing, maintaining, operating, and promoting a convention facility. Lorain County's current lodging tax raised $705,000 in 2018. Revenue generated by any additional tax will be dependent on how demand has changed since 2018 and if the increased tax rate affects demand.

(ORC 5739.09)

Federally Subsidized Housing Study Committee – Creates the Federally Subsidized Housing Study Committee with the following members:

- Three members of the Senate, two of whom are members of the majority party and one of whom is a member of the minority party, appointed by the President of the Senate;
- Three members of the House of Representatives, two of whom are members of the majority party and one of whom is a member of the minority party, appointed by the Speaker of the House of Representatives;
- One member from each of the following, appointed by the Governor:
    - The Ohio Bankers League;
    - The Ohio Housing Council;
    - The Ohio Homebuilders Association;
    - Ohio REALTORS;
    - The Ohio Insurance Institute;

- The County Auditors Association of Ohio;
- The Ohio School Boards Association;
- The County Commissioners Association of Ohio;
- The International Association of Assessing Officers. The person appointed from this Association shall be an Ohio resident;
- The Ohio Society of CPAs.

The Committee's purpose is to create a report that makes recommendations about the valuation and valuation process of federally subsidized residential rental property. The committee must submit the report to the President of the Senate, the Speaker of the House of Representatives, and the minority party leaders of the Senate and the House of Representatives not later than July 1, 2022. Members of the committee shall serve at the pleasure of the appointing authority and without compensation. The committee dissolves upon the submission of the report.

(Section 757.70)

WATER QUALITY TASK FORCE

H2Ohio Program – HB 110 continues the H2Ohio Fund, a program established in the previous state budget bill to fund water quality improvement efforts across the state. Similar to previous years, approximately $170 million in total state general revenue funds are once again made available for the program. The funds are divided across the following agencies for the following purposes:

- Ohio Department of Agriculture: $49.3 million in FY 2022 and FY 2023. These funds are used to support best management practices for farmers to reduce nutrient loss from farmland in the Western Lake Erie Basin. The original 14 counties eligible for H2Ohio funds expands to an additional 10 counties.
- Ohio Department of Natural Resources: $25 million in FY 2022 and FY 2023. ODNR will use these funds to support, maintain and create wetlands throughout the state and to support improvement and protection of all waterways. The department plans to restore more than 40 wetlands across 80,000 acres of over the next two years.
- Ohio Environmental Protection Agency: $10 million in FY 2022 and FY 2023. Ohio EPA will use these funds to improve water infrastructure, replace home sewage treatment systems, improve stream monitoring and replace lead services lines and fixtures.
- Lake Erie Commission: $125,000 in FY 2022 and FY 2023. The commission plans to use these funds to create an H2Ohio Response Model to help evaluate the impact of H2Ohio practices on nutrient loading reduction.

Any unexpended, unencumbered funds at the end of FY 2022 are to be reappropriated for FY 2023, pending state Controlling Board approval. HB 110 also requires the Executive Director of the Lake Erie Commission as well at the ODAg, ODNR, and OEPA Directors to testify before the House and Senate finance committees annually.

(Sections 211.10, 277.20, 343.30 and 319.10; Appropriation line items 700670, 725681, 715695 and 780604)

Soil and Water Phosphorus Program – The budget continues the Soil and Water Phosphorus Program, funded at $10.7 million per fiscal year. This program was originally created in SB 299 of the 132nd General Assembly. The program works in conjunction with H2Ohio to reduce total phosphorus and dissolved reactive phosphorus in the Western Lake Erie Basin and may be used for the following purposes: Equipment for sub surface placement of nutrients, equipment for nutrient placement utilizing GPS data, soil testing, variable rate nutrient application technology, equipment implementing manure conversion technologies, tributary monitoring, water management and edge of field drainage management.

(Section 211.10; Appropriation line item 700417)

Healthy Lake Erie Program – Appropriates $900,000 to the Healthy Lake Erie Program to be used in support of conservation measures in the Western Lake Erie Basin, funding assistance for soil testing, winter cover crops, edge of field testimony, tributary monitoring, animal waste abatement, and any additional efforts to reduce nutrient runoff as ODNR may decide.

(Section 343.20; Appropriation line item 725505)

Sea Grant – The Sea Grant appropriation matches federal funds for the Ohio Sea Grant Program, the mission of which is to improve the development and management of Lake Eire. The Ohio Sea Grant Program is a part of the OSU land-grant program, and supports workshops, field trips, and conferences at Stone Laboratory. Sea Grant’s appropriation levels for FY 2022 and FY 2023 remain unchanged from FY 2021.

(Section 381.10; Appropriation line item 235402)