

House Bill 33

FY 2024-2025 State Budget



Effective Date: October 3, 2023

Justice and Public Safety

Kyle Petty – Managing Director of Policy

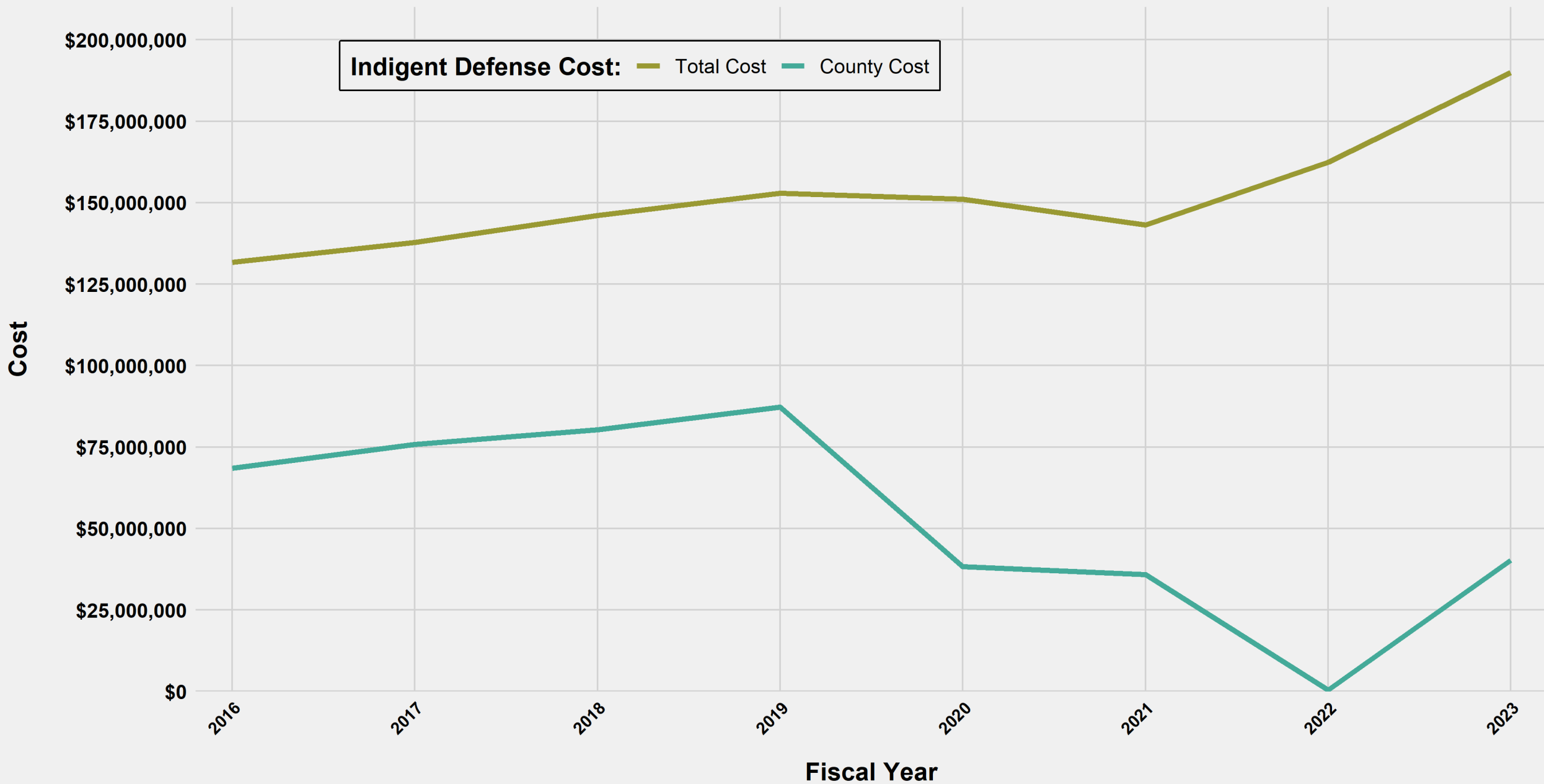


Indigent Defense

- Increase of \$67 million for reimbursement compared to the FY 2022-2023 biennium
 - OPD estimates reimbursement at 85% for FY 2024 (July 1, 2023 – June 30, 2024)
- General Assembly has authority to set reimbursement hourly caps.
 - Counties may still set their hourly rates above the cap but will only be reimbursed up to the hourly figure
 - Sets the reimbursement cap in temporary law at \$75 per hour
 - The \$75 hour cap invertedly applied to capital cases and CCAO will work with legislators to address this issue in the fall
- Includes intent language to stabilize the system while the task force created in House Bill 150 of the 134th General Assembly completes its study of the indigent defense system



Indigent Defense System Total and County-Paid Costs, FY 2016-2023



County Jail Project Funding

- Appropriates \$75 million in FY 2024 for county jail construction and renovation projects
- Creates a formula to help determine which counties receive funding
 - Ranks counties, from low to high, on the total assessed property value within the county in the preceding year and the estimated total taxable retail sales in the preceding year
 - DRC selects a number of counties from the lowest ranking to invite to apply



Next Generation 9-1-1 & MARCS

- Appropriates \$46 million over the biennium to fund one-time costs associated with implementing the NG 9-1-1 system
- Includes a \$0.40 monthly user fee on wireless devices, VoIP channels, and multiline telephone systems to fund ongoing operations
 - The language expands the base of the fee to include additional communications channels and increases the fee from the current 25 cent rate
 - The fee amount will revert to 25 cents on October 1st, 2025
 - The Auditor of State is directed to study the fee amount and determine if it is adequate to fund the system
 - Estimated to generate \$100 million annually, with about 74% of revenue going to counties to operate local systems
- Appropriates \$10.5 million over the biennium to reduce MARCS fees for local governments
 - The additional funding will reduce the monthly fee per device from \$10 to \$5
 - The total cost per radio is \$25 a month and the additional funding will increase the state's subsidy for this program



Elections Funding

- The legislature appropriated \$16 million in up-front funds and an additional \$4 million in reimbursable funds as needed for the August 8th special election
 - R.C. 3501.17(F) requires the state to fund all permissible costs of administering a special election
 - Funding is distributed based on a formula that includes prior comparable election expenditures and current voter registration counts
 - August Special Election Expense Reports are due by October 13, 2023
 - Unused funds from all grants associated with the August special election must be returned to SOS by October 27, 2023
- Language was included in HB 33 that allows for reimbursement for leasing e-pollbooks instead of current law which only allows for reimbursement of e-pollbook purchases
- Additionally, HB 33 specifies that reimbursement for acquired e-pollbooks and ancillary equipment must be directly paid to the county board of elections
 - CCAO was informed by legislators that they support returning the funding to the county general revenue fund, but this amendment was invertedly not included in the final version of the budget
 - We are working with the legislature, SOS, and OBM to address this issue



Taxation and Finance

Dr. Jon Honeck – Senior Policy Analyst



Competitive Bidding Reform

- Monetary threshold raised to \$75,000 (current law \$50,000, R.C. 307.86)
 - The increase becomes effective on October 3, 2023
 - Starting January 1, 2025, automatically increases by 3% annually (see R.C. 9.17)
 - Language was also included to clarify that projects cannot be subdivided to avoid competitive bidding requirements
- Emergency purchase limit raised to \$125,000 (current law \$100,000)
 - Informal quotes required if estimated cost above \$75,000 (current law \$50,000)
- Construction law changed to allow local governments to accept bids up to 20% over architect's estimate (current law 10%, R.C. 153.12)
- Also applies to regional water and sewer districts and county airports



County Credit Card Reform

- Replaces the list of allowable goods and services with four requirements:
 - The purchase is for a work-related expense
 - The purchase serves a public purpose
 - The debt incurred as a result of the purchase is payable with available moneys appropriated to a specific appropriation line item that is appropriate for the purchase
 - The purchase complies with R.C. 301.27 and with the policy adopted by the board of county commissioners
- Commissioners must adopt a credit card policy in consultation with the county auditor; policy must include procedure to submit itemized receipts to the auditor
 - CCAO will provide a CAB with a model credit card policy and additional best practices prior to the effective date of the language



County Credit Cards (cont.)

- Appointing authorities must apply to the Board of County Commissioners for authorization to use a card
- Commissioners must authorize card users by resolution; the resolution is not required to list the specific card number
- Card users are personally liable for finance charges, late fees, and sales tax, unless approved by the commissioners
- Commissioners may authorize non-conforming uses after the fact, otherwise the county treasury must be reimbursed



Sales Tax Changes

- **Sales Tax Exemption for Baby Products** – child diapers, creams and wipes, car seats, cribs, and strollers are exempt from the sales tax, beginning October 1, 2023
 - \$4 million annual cost to counties and transit authorities
- **Expanded Sales Tax Holiday – starting August 2024**
 - Number of days determined by Tax Department in consultation with OBM and CCAO
 - Exemption for tangible goods valued at \$500 or less (except autos, watercraft)
 - Replaces “Back to School” sales tax holiday in 2024
 - State has set aside \$750 million for reimbursements to state and locals in 2024
 - May be repeated in 2025 and future years if surplus revenue allows

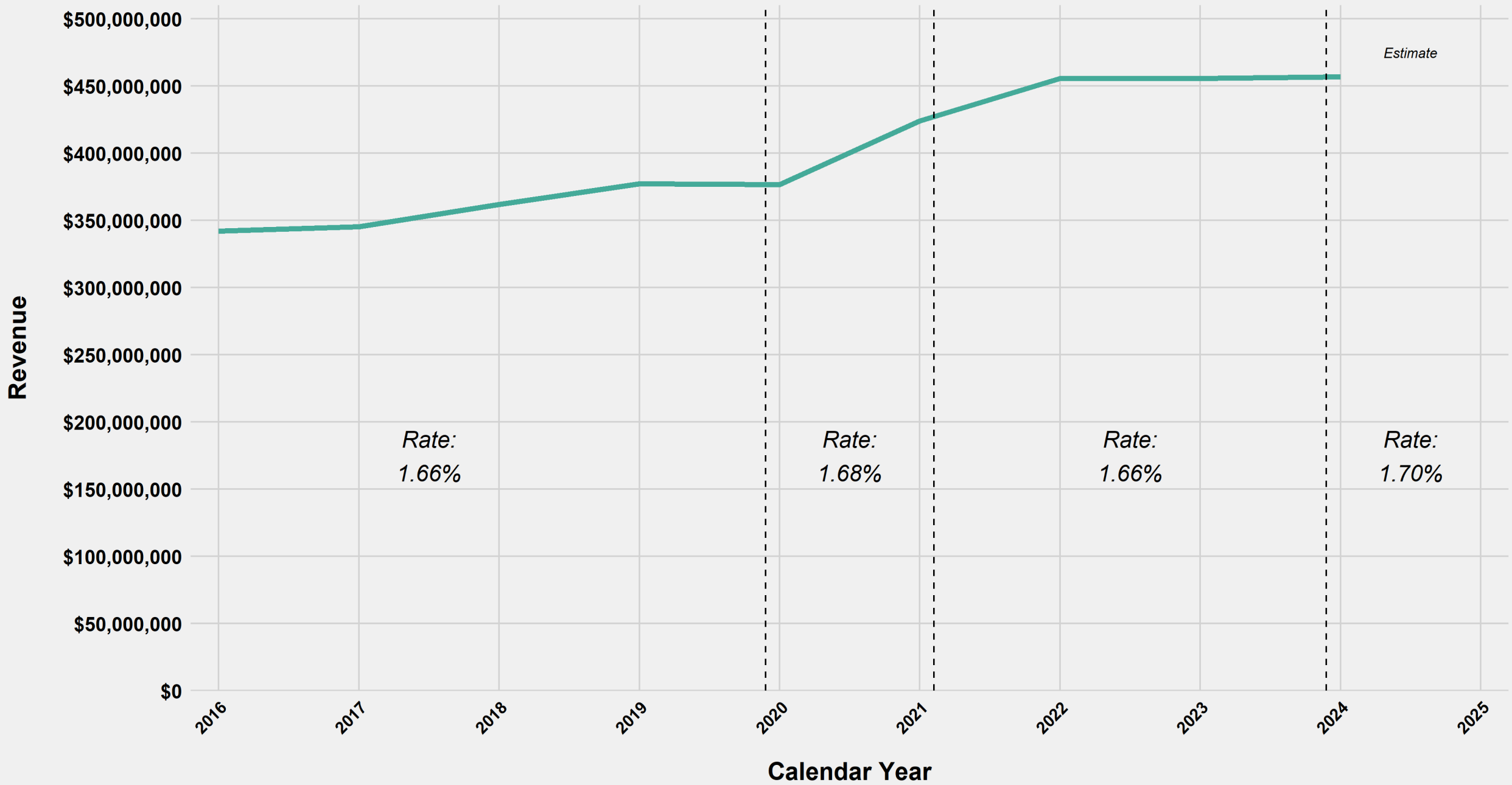


Local Government Fund Changes

- Increase rate from 1.66% to 1.70%
 - Impact of income tax and other revenue adjustments on LGF
- If an alternative distribution method is being used, the County Budget Commission must meet at least once every five years to review the formula and take testimony from political subdivisions
 - First meeting must take place in CY 2024
- Increases the undivided minimum distribution to a county to \$850,000 starting in FY 2024



Undivided Local Government Fund, CY 2016-2024



Property Tax Changes

- Homestead Property Tax Exemption indexed to inflation (GDP deflator) starting in 2023 for real property and 2024 for manufactured homes
 - Increases standard \$25,000 exemption for elderly or disabled homeowners and \$50,000 exemption for disabled veterans and spouses of peace of public service officers killed in the line of duty
 - Note: Income eligibility threshold for standard exemption is already indexed (\$36,100 for 2023)



Property Tax Changes (cont.)

- Property tax exemption for increased valuation of subdivided parcels in a planned residential development
 - Lasts until construction begins or parcel is sold, up to eight years.
 - CAUV does not continue unless land used for agricultural purposes.
 - Valuation does not change if infrastructure is put in place
- Property tax foreclosure notice publication – second and third notice of an impending foreclosure action may take place online, provided the first notice is in a newspaper



Property Tax Changes (cont.)

Valuation of Federally Subsidized Rental Housing

- Creates a standardized appraisal method for LIHTC and other rental housing
- Property owner must provide audited financial information to the county auditor about income and expenses at the property for past 3 years
- Tax Department will adopt rules to fill details of the formula, including standardized capitalization rate
- Uniform rules must prescribe a minimum total value of \$5,000 multiplied by the number of dwelling units comprising the property or 150% of the property's unimproved land value, whichever is greater



Property Tax Changes (cont.)

- Qualified Energy Project (PILOT payments)
 - Authority extended to the later of 2029, or the calendar year that the U.S. Secretary of the Treasury determines there has been, from 2022, a 75% or greater reduction in annual greenhouse gas emissions from electricity production in the United States
 - For new applications:
 - ODOD must certify that the project meets federal wage and apprenticeship requirements
 - During construction, must maintain a ratio of 70% Ohio employees for solar, 50% for other energy projects
- Creates Joint Committee on Property Tax Review and Reform
 - 10-member legislative committee
 - Must report to General Assembly by December 31, 2024



Health and Human Services

Rachel Reedy – Outreach & Member Engagement Manager



Human Services Highlights

State Child Protection Allocation

\$145M in FY 2024
\$155M in FY 2025

Adult Protective Services

\$80,000 each year

Family Children First Councils

\$30,750 each year

Publicly Funded Child Care eligibility

145% FPL

IM Control for county JFS agencies

\$4M increase

Healthy Aging Grants

- \$40 million in state ARPA funding in FY 2024
- Flows through boards of county commissioners/county executives/county councils
- Purpose: to provide services to help older Ohioans age in place
- Further guidelines and reporting information will be released in the future



Department of Children and Youth

Moved to DCY

- Child welfare, foster care, kinship care and adoption
- Family and Children First
- Child Care
- Home Visiting
- Early Intervention

Notably NOT at DCY

- OhioRISE
- Youth Services

DCY has until January 1, 2025 to complete the transition



ADAMH Boards Appointments

- Permissive authority for commissioners to choose a board size of 18, 15, 14, 12, or 9 members
- Boards of commissioners will appoint 2/3 of the members and OMHAS will appoint 1/3
- Can remove an ADAMH Board member at will but must have a public pre-removal hearing



County Boards of DD Appointments

- Beginning July 1, 2025, boards of commissioners must appoint one person with a developmental disability to the county board of DD and one family member
 - Current requirement is two family members
- If the senior probate judge appoints a person with a developmental disability, that appointment satisfies the requirement for the commissioners as well
- Permissive virtual meeting authority for county DD boards included



Agriculture & Rural Affairs / Economic Development

James Kennedy – Policy Analyst



Agriculture & Rural Affairs

- Soil and Water Conservation Districts (SWCDs)
 - \$12.5 million annually to match local funding
 - Estimated 83% match to local funding
 - \$4.2 million will be dedicated to the SWCDs within the Western Lake Erie Basin, and other priority regions as decided by the Director of Agriculture
 - The Director of Agriculture will have the ability to disperse up to \$40,000 additional to each SWCD each fiscal year
- County and Independent Fairs Grant Program
 - \$10 million will be available for county and independent fairs for the purpose of increasing fair access and economic activity
 - The grants will be distributed evenly among all applicants



Agriculture & Rural Affairs

- Ohio Broadband Pole Replacement and Undergrounding Program
 - \$50 million will be available in FY 2024 to reimburse broadband services to advance access to residences and businesses in an unserved area
- County Agricultural Societies
 - \$380,000 each fiscal year will be dedicated for reimbursements to county and independent agricultural societies for activities related to the Junior Fair
- Farmland Preservation Grants
 - \$1 million over the biennium will be used to fund the Farmland Preservation Grant Program



Water Quality

- H2Ohio
 - \$270 million will be used to fund the H2Ohio program which dedicates funding to water infrastructure upgrades that will reduce harmful algal blooms in Lake Erie
 - Newly-created Rivers Initiative. This program will allow H2Ohio to dedicate funds to all regions of Ohio. The program will focus on cleaning up polluted waterways, and removing certain dams, and restoring rivers across the state
 - As part of the Rivers Initiative, the Great Miami Watershed will be added to CREP
- Water & Sewer Quality Grant Program
 - \$124 million in FY 2024 will be available to all political subdivisions for the purpose of water and sewer improvements
 - The grant program will be overseen by the Department of Development. Additional information will be released in the upcoming weeks



Water Quality

- Healthy Lake Erie Program
 - Appropriates \$1.8 million over the biennium to the Healthy Lake Erie Program to be used in support of the following:
 - 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
 - Any additional efforts to reduce nutrient runoff as ODNR may decide



Development Grants

- Demolition and Site Revitalization Grants
 - \$150 million in FY 2024
 - Continuation of program from the prior biennium
- Brownfield Remediation
 - \$350 million over the biennium
 - Continuation of program from the prior biennium
- Appalachia Assistance
 - \$13.2 million over the biennium
 - Funds projects through the Governor's Office of Appalachia
- Innovation Hubs
 - \$125 million in FY 2024
 - Funds research and development opportunities to attract employers



State Budget: Upcoming Events/Materials

- CCAO will be hosting webinars on key issues, such as jail funding, Next Gen 9-1-1, and more
- CCAO is drafting a budget overview CAB that will be completed before the Summer Symposium
- CCAO will conduct regional briefings on the budget, which are still being scheduled
- CCAO staff are available to answer questions about any of the programs or language contained in this presentation



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Thank you!

