



STATEHOUSE REPORT

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Medicaid fraud substitute bill includes SNAP changes

The House Medicaid Committee adopted [a substitute bill](#) ([bill text](#); [comparison document](#)) during its Wednesday hearing aimed at addressing fraud in the Medicaid program. The substitute bill to [House Bill 795](#) (Representative Josh Williams) included many provisions related to Medicaid, summarized below, but also included two policy changes related to SNAP.

The first would eliminate Ohio's use of broad-based categorical eligibility (BBCE) for SNAP. This is a tool that Ohio, 44 other states, and three territories use to streamline what is under federal law a very complex and cumbersome eligibility process for SNAP. BBCE is used by different states in different ways, but HB 795 would take all the options off the table.

The elimination of BBCE would result in asset tests for SNAP eligibility determinations. This shift in SNAP administration would greatly increase bureaucracy, require significant investments in both technology and front-line staff, and create more opportunities for errors driving up Ohio's payment error rate.

The second change reverts the gross income limit for SNAP back to 130% of the federal poverty level from the current 200% FPL and prohibits the limit from being higher unless required by federal law. This is counter to the recent CCAO-supported efforts taken by ODJFS to reduce the benefit cliff facing working families, which can sometimes cause families to decline more hours or increased earnings.

Chair Jennifer Gross stated that she is in favor of removing the SNAP provisions to keep the bill focused on Medicaid.

Representative Mike Dovilla summarized the other provisions of the substitute bill as requiring the following:

- Increased penalties for Medicaid fraud and moving the offense from misdemeanor 1 to felony 5.

- A misdemeanor 1 offense is punishable by up to 180 days in jail, while a felony 5 offense is punishable by a sentence of between six and twelve months.
- Alternative payment payer analysis to be run for all Medicaid claims prior to payment.
- Providers and facilities to provide valid credentials or certifications to the Department of Medicaid every two years.
- In-person onsite inspection prior to a provider being enrolled as Medicaid provider.
- Provider agreement renewals every three years rather than every five years.
- Ohio Department of Medicaid (ODM) to automatically investigate a provider seeking enrollment if there are other providers who utilize the same address, business signage or exhibit other similarities.
- ODM to impose a temporary payment suspension and investigate if there is a suspicious increase in claims.
- ODM Director to deny, refuse to revalidate, suspend or terminate a provider agreement of any provider who has not submitted a claim for payment to the department for a period of one year.
- ODM Director to institute temporary moratoria on providers in order to align with the federal government.
- ODM to validate claims for all services subject to electronic visit verification as a condition of payment.
- ODM to establish criteria for classifying high-risk providers and subject those providers to fingerprint scanning, facial recognition, vocal recognition, a secure identification number or other approved verification method as a condition of receiving payment.
- Prior authorization for all therapeutic behavioral health services prescribed within the Medicaid program.
- The Department of Insurance to create an all-payer claims database.

Chair Gross intends to hold hearings next week with a final vote occurring before the General Assembly leaves for summer break on June 11.

Members with questions should contact Rachel Reedy at rreedy@ccao.org.

Public records request denial authority bill receives modifications

This week, the House Judiciary Committee adopted a substitute bill for [House Bill 314](#) (Representatives Dani Isaacsohn and Sharon Ray), a bill intended to assist local governments deal with voluminous public records requests.

The substitute bill, a mechanism used to make several changes to a bill at a single time instead of solitary amendments, makes changes across many provisions of the bill.

Authority to Contract

In the original bill, public offices responsible for fulfilling public records requests were granted the authority to contract with private providers to assist in responding to voluminous requests and to include the cost of the contractor's service in the calculation of the cost of providing copies of those public records.

The new version of the bill retains those provisions but puts restrictions on the activities of the private contractor and changes how the cost of providing the services is calculated.

Contractors would now be explicitly required to dispose of any public records reviewed during the contracted activity, are prohibited from using any record reviewed during the activity for profit, and are prohibited from disclosing any redacted information from records reviewed.

The cost of the contractor activity that public offices can pass on to the requestor is altered due to the establishment of broader alternative fee structure for public records requests. This new structure is discussed more in the following section.

Finally, a new provision was added that prohibits, in any action brought against a public office for not fulfilling its obligation to produce records within a reasonable period of time, courts from considering if engaging a private contractor would have resulted in a faster production of the records.

Put more simply, a decision not to engage a private contractor cannot be used against a public office in a lawsuit.

Permissive Alternate Fee Structure

Under current law, political subdivisions can only charge a fee equal to the cost of producing the record, with certain exceptions and caps in place.

Under the new version of HB 314, political subdivisions can adopt an alternate fee structure with the fee dependent on the number of hours required to prepare and produce the records. The number of hours is determined by the total number of hours, rounded to the nearest full hour (up or down) worked by employees or, if the entity contracted with a private provider, the contractor, in preparing the records.

Time spent seeking or creating legal advice is explicitly excluded from the calculation of total hours.

The alternate fee schedule is as follows:

Permissive Alternate Public Record Request Fees	
Hours Required to Prepare	Allowable Fee
Less than or equal to 10 hours	No charge
11 to 20 hours	Up to \$25
21 to 30 hours	Up to \$50
31 to 40 hours	Up to \$100
More than 40 hours	Up to \$200

Of note is that, if a subdivision adopts the alternate fee structure, requests that take less than 10 hours cannot be charged any fee. That includes charging a fee at cost.

If a subdivision has a “reasonable basis” to suspect that a requester has submitted multiple smaller requests to avoid the increased fee if all the requests were submitted at one time, the subdivision can combine the total cost.

For example, if a requester submits 15 requests that each take two hours, instead of not being allowed to charge a fee for each individual request, the subdivision can total the time to 30 hours and charge up to \$50.

Similar to existing law regarding the at-cost fees, subdivisions cannot release the requested records until payment is received, and requesters who do not pay for requested records are prohibited from making subsequent requests until payment is received for the prior requests.

Court Authority to Block Requesters

Under the original bill, the court of common pleas could indefinitely suspend a requester’s ability to submit record requests if it is found that the requester submitted requests for the purpose of harassing or disrupting the public office.

The new version of the bill limits time period such a requestor can be suspended to five years. If a suspended requestor submits a request in violation of the court order, the court can extend the suspension for a period at its discretion. Additionally, the court can issue a fine of up to \$100 for each violation.

The new version of the bill also allows the court, if it finds that the requester was not attempting to harass or disrupt the office, to allow the requestor reasonable attorney’s fees and court costs.

Exemptions from the Bill

The original bill included an exemption from the court authority to block requesters if the requester is a journalist, a pro se litigant seeking recording pertaining to litigation in which the litigant is a party, and state agencies, public institutions of higher education, and staff and agents of a public defender or government attorney.

This exemption is maintained, and an exemption from having to pay fees established under the alternate structure was added for the same requesters.

No testimony was accepted at the hearing this week. CCAO has already [provided proponent testimony](#) in support for the bill, as has the [Ohio Prosecuting Attorneys Association](#).

The bill is marked for a possible vote at next week's Judiciary Committee meeting.

A busy week brings three substantial data center updates

This week, there were developments in three important data center areas.

Data Center Tax Exemption Actual Effect

According to information obtained from the Department of Taxation by [SignalOhio](#), the data center sales tax exemption cost the state more than \$2.1 billion in lost revenue during the SFY 2024-2025 biennium. This is a significant underestimate from the \$266.2 million estimated by the [most recent Tax Expenditure Report](#).

The Legislative Service Commission typically estimates the county effect of sales tax exemptions at 25% of the state effect. That would produce an estimated \$525 million in lost county revenue during the biennium.

The most recent Tax Expenditure Report estimated a state effect of \$289.8 million in lost revenue due to the exemption over the current biennium, although the true cost is anticipated to be considerably higher considering the recent revision.

Earlier this year, CCAO wrote a letter of support to Speaker of the House Matt Huffman for a veto override in House Bill 96 that would eliminate the sales tax exemption for data centers.

Pause of New Exemptions

On Wednesday, Governor Mike DeWine directed the chair of the Ohio Tax Credit Authority (Department of Development Director Lydia Mihalik) to pause consideration of new data center sales tax exemption requests. The pause is to allow the Joint Committee on Data Centers to complete its work.

Joint Committee on Data Centers

The General Assembly's recently-created Joint Committee on Data Centers held its first hearing this week. During the meeting, it adopted a mission statement and heard invited testimony from certain stakeholders.

[The mission statement](#) establishes the committee's purpose as ensuring that Ohioans have accurate, relevant, and useable information concerning the various impacts of data center development. Specifically, this information will focus on the following:

- Determining data energy cost and availability impacts on other Ohio ratepayers;
- Identifying state and local community economics of data center development;

- Determining the environmental impact of data center development;
- Identifying public safety and national security considerations; and
- Increasing public awareness and sector knowledge.

This week, the Committee heard testimony from the [Department of Development](#), the [Department of Natural Resources](#), the [Ohio EPA](#), the [Ohio Consumer’s Counsel](#), the [Public Utilities Commission of Ohio](#), the [PJM Interconnection](#) (the interstate grid operator that Ohio is part of), and [the Data Center Coalition](#) (a trade association of data center operators).

The Committee will hear public testimony on Monday.

CCAO anticipates a hearing specific for local governments the following week.

CCAO, Auditors Association weigh in on property tax relief bill

In recent weeks, [House Bill 504](#) (Representative Angie King) has received two hearings in the House Ways and Means Committee.

The bill, which was covered more extensively in the [February 20, 2026, issue of Statehouse Report](#), would create a permissive property tax relief mechanism (called the “temporary property valuation phase-in credit”) that would allow the board of county commissioners to phase in the appraised value of properties after a reevaluation or update. The mechanism could only be authorized if the aggregate value of the county increased by more than 15%.

In the table below, which shows a simplified example where a county experienced a 30% increase in valuation, each individual tax levy in the county would be applied to the “Taxable Appraised Value” column instead of the “Actual Appraised Value” column.

Sample of House Bill 504 Credit Calculation (Simplified)			
Year	Assessed Value	Actual Appraised Value	Taxable Appraised Value
Year 0	\$285,714	\$100,000	\$100,000
Year 1	\$371,429	\$130,000	\$110,000
Year 2	\$371,429	\$130,000	\$120,000
Year 3	\$371,429	\$130,000	\$130,000

Like the piggyback homestead exemption, the temporary phase-in credit would apply to all levies in the county, and, like the piggyback homestead exemption and piggyback owner-occupancy credit, foregone revenue would not be reimbursed.

[CCAO provided interested party testimony on May 13](#). The testimony expressed appreciation for the continued efforts to provide property tax relief to Ohioans and the fact that the bill is permissive.

It also noted that, similar to the two local piggyback options, HB 504 would impact all taxing entities in the county, whose budgets the commissioners do not manage. Commissioners

may be hesitant to impact key revenue streams, especially if fiscal conditions vary widely across local governments within the county.

Additionally, CCAO noted that significant tax reforms passed earlier this year, most notably House Bill 186 and House Bill 335, are still being implemented. These mechanisms will reduce the impact of spikes in property valuations by limiting the tax growth to an inflation measure. Individual counties may opt to wait until the effects of these reforms begin to be seen before authorizing additional changes.

While the Association shared that those two factors may impact participation in the permissive program, CCAO does not oppose it since it would simply provide another permissive tool for counties to weigh utilizing.

On May 20, [the County Auditors Association provided opponent testimony on the bill](#). Their testimony touched on similar concerns but called for a pause on the consideration of additional broad-based property tax relief measures until the effect of the bills enacted last year are fully analyzed.

The bill is marked for a possible vote and a possible substitute bill at next week's House Ways and Means Committee hearing.

Legislative Activity

Committee Hearings

No committees heard bills of note that are not discussed above.

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- [Senate Bill 447](#) (Senator Andrew Brenner): To exempt sales of aircraft to nonresidents from sales tax.
- [House Bill 951](#) (Representatives Monica Robb Blasdel and Tony Barhorst): To exclude semitrailers from the Motor Vehicles Sales Law.
- [House Bill 952](#) (Representatives Adam Mathews and Tex Fischer): To provide for the preservation of religious freedom and to name this act the Ohio Religious Freedom Restoration Act.
- [House Bill 955](#) (Representatives Joe Miller and Chris Glassburn): To expand the enhanced homestead exemption for the surviving spouse of a disabled veteran.
- [House Bill 957](#) (Representative Tristan Rader): To prohibit new data center sales tax exemptions from being granted.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may be of interest to counties. Other committees will likely meet as well, but as of press time for *Statehouse Report*, they have not released agendas. Please note that these schedules are subject to change.

Monday, June 1

[Select Committee on Data Centers](#) (10:00 a.m.)

- Public Testimony

Tuesday, June 2

[House Public Safety](#) (3:00 p.m.)

- [House Bill 346](#) (Representatives Mathew Kishman and Josh Williams): To enact V.J.'s Law to require mandatory reporters of child abuse or neglect to report to both a peace officer and the public children services agency.
 - Third hearing, all testimony
 - **POSSIBLE AMENDMENTS**
- [House Bill 830](#) (Representatives Jeff LaRe and Darnell Brewer): To establish the violent crime reduction grant program.
 - First hearing, sponsor testimony and proponent testimony

Wednesday, June 3

[House Judiciary](#) (9:00 a.m.)

- [House Bill 314](#) (Representatives Dani Isaacsohn and Sharon Ray): To restrict harassing or disruptive public records requests and permit private contractors to respond to voluminous public records requests.
 - Fifth hearing, no testimony
 - **POSSIBLE VOTE**

[House Local Government](#) (9:00 a.m.)

- [House Bill 695](#) (Representatives Adam Bird and Brian Stewart): To prohibit certain local elected officials from entering into nondisclosure agreements.
 - Third hearing, opponent testimony

[House Natural Resources](#) (9:00 a.m.)

- [Senate Bill 219](#) (Senator Al Landis): To make changes to the law governing oil and gas wells.
 - Fourth hearing, no testimony
 - **POSSIBLE VOTE**

[House Ways and Means](#) (9:00 a.m.)

- [House Bill 504](#) (Representative Angie King): To authorize counties to temporarily exempt a portion of property's increased value from taxation following a reappraisal and to name this act the Calculated Adjustments for Property Surges Act.
 - Sixth hearing, all testimony
 - **POSSIBLE SUBSTITUTE BILL**
 - **POSSIBLE VOTE**
- [House Bill 778](#) (Representatives Kevin Miller and David Thomas): To exclude certain fire and emergency medical services levies from being reduced by a community reinvestment area or tax increment financing property tax exemption.
 - Second hearing, proponent testimony
 - **POSSIBLE AMENDMENTS**

- [House Bill 762](#) (Representatives Beth Lear and David Thomas): To exempt certain vending machine food purchases from sales and use tax.
 - Second hearing, proponent testimony