



STATEHOUSE REPORT

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CCAO Budget Amendment Requests

The House's first key budget deadline is next week. All amendment requests must be submitted to House leadership on March 14. It is important that Representatives submit the exact same amendments to show broad support, so CCAO has prepared a list of our budget amendment requests. The Association requests that you share these amendments with your House delegation to help secure these changes.

Please note that we are working on amendments to increase the funding for county indigent defense reimbursement, the reinstatement of the Ohio Water and Sewer Loan Program, and a funding increase for victim services. However, the amendments have not been finalized yet by the Legislative Service Commission, so we do not have their numbers. We will send legislative alerts next week with the full list of amendment requests when we have them all in hand.

Priority Requests

Children Services

[HC-0196](#): Appropriates an additional \$6.5 million in each fiscal year to support county Family and Children First Councils.

Indigent Defense

[HC-1087](#): Appropriates \$43 million in SFY 2026 and \$50 million in SFY 2027 for county indigent defense cost reimbursement. The amendment also provides funding for a performance audit of the indigent defense system and removes reimbursement rate caps.

Next Generation 9-1-1

[HC-0401](#): Increases the user fee that generates revenue for Next Generation 9-1-1 from \$0.40 per month to \$1.00 per month

Other Requests

Senior Services

[HC-0482](#): Appropriates an additional \$10 million in each fiscal year for Senior Community Services.

Broadband

[HC-0034](#): Appropriates \$20 million in SFY 2026 to expand middle-mile broadband infrastructure along Route 30.

Commissioners provide budget testimony on human services, Next Generation 9-1-1

On Wednesday, Montgomery County Commissioner Carolyn Rice [testified](#) before the House Children and Human Services Committee on House Bill 96, the state operating budget. Commissioner Rice serves as the Vice Chair of the CCAO Human Services Committee.

Commissioner Rice's testimony focused on CCAO's human services priorities for this budget cycle. She highlighted the county's role in administering the SNAP Employment and Training Program, which is aimed at providing a true path towards self-sufficiency for individuals receiving public assistance, and requested that the state provide additional funding for job and family services departments to continue to provide transformational casework to those in the SNAP E&T program.

Commissioner Rice also voiced support for changing funding for ADAMH boards to six proposed block grants. The block grant structure gives counties more flexibility to build the continuum of care that works best for their community instead of a top-down, one-size-fits-all approach.

Washington County Commissioner Charlie Schilling also provided budget testimony on Wednesday. Commissioner Schilling [testified](#) before the House Public Safety Commission about Next Generation 9-1-1. Washington County was the first county to come fully online with the NG 9-1-1 system. The system has significantly shortened call transfer times and reduced call drops, giving the county's first responders more time to respond to emergencies.

Commissioner Schilling requested that the committee support HC-0401, to increase the monthly user fee that supports NG 9-1-1 from \$0.40 to \$1.00 per month. Commissioner Schilling argued that the increase would allow counties that levy a property tax for their 9-1-1 system to either reduce or eliminate their levies. He also cited nearby states' fee amounts, noting that Ohio would have a low monthly rate, even at \$1.00. Pennsylvania's monthly rate is \$1.95, and West Virginia's is \$3.64.

Possible marijuana revenue distribution changes hinted in HB 160

This week, Representative Brian Stewart introduced [House Bill 160](#), the House's proposal for changes to the adult-use marijuana law. This article will focus on the adult-use marijuana excise tax and provide an overview of where the tax stands between current law, the House, the Senate, and the operating budget.

Current Law

Under Issue 2, as passed by voters in 2023, sales of adult-use marijuana are subject to a 10% excise that is distributed as follows:

- 36% to the Cannabis Social Equity and Jobs Fund
- 36% to the Host Community Fund
- 25% to the Substance Abuse and Addiction Fund
- 3% to the Division of Cannabis Control and Tax Department

Moving forward, it is worth noting the Host Community Fund. Issue 2 allows municipalities and townships to restrict the siting of adult-use dispensaries within their jurisdictions. Those that do not receive funding from the Host Community Fund in proportion to total statewide sales within their jurisdiction. For example, if a city accounted for 5% of total statewide sales, that city would receive 5% of the revenue in the Host Community Fund.

The Senate

Last week, the Senate passed [Senate Bill 56](#) (Senator Stephen Huffman), the chamber's adult-use marijuana plan. SB 56 initially increased the excise tax to 15% and changed the revenue distribution to flow entirely into the General Revenue Fund.

The bill was amended and the version that the full chamber passed matches the Current Law language with one main change: the programs that would be supported by the Cannabis Social Equity and Jobs Fund and the Substance Abuse and Addiction Fund are repealed, meaning the funding sitting in those funds will eventually be reallocated to a different purpose.

The House

Under HB 160, introduced this week, the tax rate remains 10%. The revenue distribution is changed similar to SB 56's initial proposal, with one key change. For SFY 2026 through 2030, 20% of the revenue will be distributed through the Host Community Fund. From SFY 2031 onward, all revenue would be deposited to the GRF.

The Budget

House Bill 96, the state's operating budget, proposes increasing the tax rate to 20% and distributing revenue among the GRF and ten specific purposes. The key component for counties in the budget proposal is that 25% of the revenue would fund county jail projects.

Testimony Against Host Community Fund Elimination

As the Senate held hearings on SB 56 and the House has held budgetary hearings, municipalities and townships have testified against eliminating the Host Community Fund. The arguments have centered on how eliminating the Host Community Fund disregards the will of the voters who approved Issue 2 and that some municipalities and townships have allowed dispensaries to open explicitly so they could receive Host Community Fund distributions, even though they generally oppose adult-use marijuana.

Representatives have generally seemed sympathetic to the notion that the jurisdictions that allow adult-use dispensaries should receive a share of the excise tax revenue.

Upshot

With the House budget amendment deadline approaching next Friday, HB 160 may provide a preview of changes to Governor DeWine's tax distribution framework. The House may temporarily reinsert the Host Community Fund into the revenue distribution so that governments that allowed dispensaries do not feel like they were on the bad end of a "bait-and-switch."

If the House does so, CCAO will work to ensure that the 25% allocation for county jail projects is maintained and that any reallocation of the distribution to accommodate the reinstatement of the Host Community Fund is drawn from other proposed uses.

The DeWine Administration and the General Assembly have been strong allies in recreating the state-county partnership for jail projects. The most recent jail funding grant window, which closed on Monday, received 31 applications totaling \$184 million in requests for \$50 million in available funding. The need has not gone away, and creating an ongoing revenue stream from the adult-use marijuana excise tax is a vital component of the state-county partnership.

Legislative Activity

Committee Hearings

The following committees held hearings this week regarding bills that may interest counties.

House Children and Human Services

- Public budget testimony from, among others, the Marion County DJFS, the Ohio Chamber of Commerce, the Ohio Business Roundtable, two area agencies on aging, and the Coalition on Homelessness and Housing in Ohio.

House Public Safety

- Budget testimony from the Department of Rehabilitation and Correction, and public budget testimony from, among others, the Ohio Clerk of Courts Association, Ohio Community Corrections Association, the Ohio Association of Professional Fire Fighters, the Fraternal Order of Police of Ohio, Ohio Victim Witness Association, and the Ohio Mayors Alliance.

House Agriculture

- Testimony from the Department of Agriculture and the Ohio Poultry Association on the bird flu outbreak.

Senate Energy

- [Senate Bill 2](#) (Senator Bill Reineke): Regarding public utilities and competitive retail electric and natural gas services, to make changes regarding electric company property taxation.

- Fourth hearing, proponent testimony from nine witnesses, including the Ohio Manufacturers' Association, opponent testimony from one witness, and interested party testimony from seven witnesses including the Ohio Consumers' Counsel.
- **SUBSTITUTE BILL ADOPTED** to, among other changes, include natural gas "linear" generation to the definition of renewable energy sources and classify battery facilities (electric storage systems) as electric generators for the tangible personal property tax.

Senate General Government

- [Senate Bill 63](#) (Senators Theresa Gavarone and Bill DeMora): To generally prohibit the use of ranked choice voting and to withhold Local Government Fund distributions from a municipality or chartered county that uses ranked choice voting.
 - Second hearing, proponent testimony from the Opportunity Solutions Project, Heritage Action America, Honest Elections Project Action, Secure Elections Project, and Heartland Impact.

Senate Ways and Means

- [Senate Bill 43](#) (Senators Sandra O'Brien and George Lang): To repeal the authorization of a special county lodging tax.
 - Second hearing, proponent testimony from the Ohio Real Estate Investors Association and Americans for Tax Reform

House Development

- [House Bill 17](#) (Representative Brian Lorenz): To classify certain storage condominiums as residential property for tax purposes.
 - First hearing, sponsor testimony
- [House Bill 86](#) (Representative Steve Demetriou): To make changes to the law relating to tax foreclosures and county land reutilization corporations, and to name this act the Gus Frangos Act.
 - First hearing, sponsor testimony
- Public budget testimony from, several entities encouraging the House include funding for further brownfield remediation projects into the budget.

House Judiciary

- [House Bill 126](#) (Representative Adam Mathews and Meredith Craig): To prohibit certain public nuisance actions
 - First hearing, sponsor testimony

House Local Government

- [House Bill 113](#) (Representatives Adam Bird and Johnathan Newman): To modify the law regarding annexation and financial disclosure forms, and to require school district approval of residential community reinvestment area property tax exemptions.
 - First hearing, sponsor testimony
- [House Bill 123](#) (Representatives Mark Johnson and David Thomas): To modify the procedures for filling vacancies in local elected offices.

- First hearing, sponsor testimony

House Natural Resources

- Public budget testimony from, among others, The Nature Conservancy, the Trumbull County Tourism Bureau, the Ohio Association of Health Inspectors, and Morgan County Economic Development.

House Ways and Means

- [House Bill 28](#) (Representatives Adam Mathews and Thomas Hall): To eliminate the authority to levy replacement property tax levies.
 - Second hearing, proponent testimony from the Taxpayer Protection Act Coalition, Americans for Prosperity, the Ohio Chamber of Commerce, the National Federation of Independent Businesses, Ohio Realtors, and the Ohio Manufactured Homes Association.
- [House Bill 22](#) (Representatives Brian Lorenz and David Thomas): To authorize a full homestead exemption for surviving spouses of members of the uniformed services killed in the line of duty.
 - Second hearing, proponent testimony from Secretary of State Frank LaRose, the Patrick J. Tiberi Leadership Institute, and a private individual.
- Public budget testimony from, among others, the Mahoning County Township Association and Columbia Township (Hamilton County).

Senate Local Government

- [Senate Bill 104](#) (Senator Andrew Brenner): To limit the authority of local governments to regulate short term rental properties, to extend local lodging taxes to short-term rentals, to require collection of those taxes by short-term rental platforms, and to require real estate licenses to be issued electronically.
 - Second hearing, proponent testimony from Ohio Realtors, the Ohio Chamber of Commerce, and several private individuals.

Senate Public Utilities

- [Senate Bill 103](#) (Senator Shane Wilkin): To serve large load customers and to make changes to the process of valuating natural gas company property.
 - First hearing, sponsor testimony

Senate Transportation

- Public transportation budget testimony from, among others, the County Engineers Association of Ohio.

House Health

- Public budget testimony from, among others, the Franklin County Board of Developmental Disabilities and the Clermont County Board of Developmental Disabilities.

Introduction of Bills

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

- [House Bill 142](#) (Representatives Mike Dovilla and Tex Fischer): To allow for alternative rate plans for natural gas companies to serve large load customers and to make changes to the process of valuating natural gas company property.
- [House Bill 143](#) (Representative Adam Mathews and Sean Brennan): To authorize an enhanced property tax homestead exemption for certain long-term homeowners.
- [House Bill 144](#) (Representatives Gary Click and Brian Lorenz): To expand the communication disability database to include any person with a disability, to expand access to that database through countywide 9-1-1 systems, and to name this act "Keith's Law".
- [House Bill 146](#) (Representative Brian Lorenz): To change the civil service status of certain positions in a county probation department from classified to unclassified.
- [House Bill 147](#) (Representatives Brian Lorenz): To exempt from sales and use tax building materials sold to a contractor under a contract valued at \$25 million or more for projects in areas with a port authority.
- [House Bill 151](#) (Representative Jason Stephens): To allocate a portion of any state revenue surplus to a program that funds certain road and bridge projects.
- [House Bill 154](#) (Representatives Dave Thomas and Chris Glassburn): To require school district approval of residential community reinvestment area property tax exemptions.
- [House Bill 156](#) (Representatives Thomas Hall and Dani Isaacsohn): To authorize a property tax freeze for certain owner occupied homes.
- [Senate Bill 135](#) (Senator Andrew Brenner): Relating to real property foreclosures and estate sales.

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.

If you would like to offer testimony on any bill, please visit the committee page and contact the committee chair's office for instructions on how to submit testimony.

Tuesday, March 11

[House Children and Human Services](#) (11:15 a.m.)

- [House Bill 7](#) (Representatives Andrea White and Sharon Ray) To make foster caregivers and kinship caregivers eligible for publicly funded child care.
 - Second hearing, proponent testimony and interested party testimony

[House Government Oversight](#) (1:15 p.m.)

- [House Bill 42](#) (Representatives Tex Fischer and Josh Williams) To require certain agencies to collect and report data concerning the citizenship or immigration status of persons with whom they come into contact.
 - First hearing, sponsor testimony

House Community Revitalization (3:15 p.m.)

- [House Bill 144](#) (Representatives Gary Click and Brian Lorenz): To expand the communication disability database to include any person with a disability, to expand access to that database through countywide 9-1-1 systems, and to name this act "Keith's Law".
 - First hearing, sponsor testimony

Wednesday, March 12

Senate Transportation (10:30 a.m.)

- [House Bill 54](#) (Representative Brian Stewart): Transportation Budget
 - **SUBSTITUTE BILL**

House Ways and Means (2:00 p.m.)

- [House Bill 40](#) (Representatives Tracey Richardson and Mike Dovilla): To increase the enhanced homestead exemption for certain disabled veterans
 - Second hearing, proponent testimony
- [House Bill 28](#) (Representatives Adam Mathews and Thomas Hall): To eliminate the authority to levy replacement property tax levies.
 - Third hearing, opponent testimony
- [House Bill 22](#) (Representatives Brian Lorenz and David Thomas): To authorize a full homestead exemption for surviving spouses of members of the uniformed services killed in the line of duty.
 - Third hearing, opponent testimony

House Energy (3:00 p.m.)

- [House Bill 15](#) (Representative Roy Klopfenstein): To amend the competitive retail electric service law, make changes regarding electric company property taxation, and repeal parts of H.B. 6 of the 133rd General Assembly.
 - Fourth hearing, no testimony
 - **SUBSTITUTE BILL**

Wednesday, March 13

Senate Transportation (10:00 a.m.)

- [House Bill 54](#) (Representative Brian Stewart): Transportation Budget
 - Public testimony

Wednesday, March 14

Senate Transportation (10:00 a.m.)

- [House Bill 54](#) (Representative Brian Stewart): Transportation Budget
 - Public testimony