STATEHOUSE REPORT

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House adopts substitute budget bill with progress on county priorities

On Tuesday, the House Finance Committee adopted its initial round of changes to the House Bill 96 in the form of a substitute bill. This article discusses the status of CCAO's priorities for the budget (children services, indigent defense, county jails, Next Generation 9-1-1, and child care access). The subsequent article goes over other budget provisions with county implications.

Summary of CCAO Priorities in the House Substitute Bill

- Maintained the $25 million increase in SFY 2026 and a $30 million increase in SFY 2027 in the State Child Protection Allocation (SCPA).

- Largely maintained $20 million in SFY 2026 and $10 million in SFY 2027 to assist communities in starting regional child wellness campuses.

- Maintained language that establishes a process for the Department of Children and Youth to increase cost transparency and predictability for placement costs.

- Increased funding for indigent defense reimbursement by $21.75 million in each fiscal year, which will resulted in an expected 85% reimbursement.

- Maintained language and funding for a state administered indigent defense pilot.

- Increased the Next Generation 9-1-1 monthly user fee from $0.40 to $0.60.

- Reduced eligibility for publicly funded child care to 145% of the federal poverty level (FPL) from 160% FPL in the executive proposal.

- Removed funding for jail construction projects from the executive budget proposal.

- Required the Ohio Department of Medicaid to submit an 1115 waiver to allow for Medicaid coverage of a 30-day supply of medication, behavioral health, mental health, and substance abuse treatments for the incarcerated population.

Children Services

The House maintained a $25 million increase in SFY 2026 and a $30 million increase in SFY 2027 in the State Child Protection Allocation (SCPA). These funds go directly to county public children services agencies for placement costs of children in foster care.

The bill includes $19.75 million in SFY 2026 and $9.75 million in SFY 2027 to assist communities in starting child wellness campus. These are one-time funds and will be available regionally and to the major metro areas. The child wellness campuses would provide short-term treatment and care for multi-system youth at risk of custody relinquishment or in PCSA custody and unable to access timely, appropriate placements. The earmark was reduced by $250,000 in each fiscal year from the Governor's proposal to fund the Providence House Every Child Ohio Feasibility Study to identify Ohio communities with the capacity to sustainably operate a children's crisis care facility.

The House substitute bill maintains language that authorizes DCY to issue a Request for Proposal (RFP) to establish statewide rate cards for placement and care of children eligible for foster care maintenance payments. Providers would report to DCY the rates for various services provided, and counties would then pay those rates when placing.

Indigent Defense

The House substitute bill provided an increase in funding of $21.75 million in each fiscal year for county indigent defense reimbursement. House Finance Chairman Brian Stewart (former CCAO Board Member and Pickaway County Commissioner) estimated that this additional funding should bring counties to an 85% reimbursement for the biennium. CCAO is working with the Office of the Ohio Public Defender (OPD) to confirm that estimation.

Additionally, the substitute bill added funding and language to require the Auditor of State to conduct a performance audit of the indigent defense system to recommend system and delivery changes to increase the efficiency of the system.

The language that caps reimbursement for appointed counsel costs at $75 per hour for general cases and $140 per hour for capital cases remained in the bill.

County Jails

The Governor's proposal included $154.9 million over the biennium for county jail projects derived from an excise tax on adult-use marijuana. The substitute bill removed this appropriation and directed the revenue from the tax to the state general revenue fund.

While the substitute bill did reappropriate the $75 million for jail construction grants contained in HB 33 using the same funding formula utilized in that bill, it did not include any new funding for county jail projects. CCAO incorrectly identified this $75 million as new funding in the legislative alert.

The House added language that requires the Department of Medicaid to submit an 1115 waiver to allow for Medicaid coverage of a 30 day supply of medication, behavioral health, mental health, and substance abuse treatments for the incarcerated population. The waiver has been a longstanding priority for CCAO and will lessen the financial impact of healthcare in county jails on the county's general revenue fund budget.

Next Generation 9-1-1

The House maintained the executive budget proposal language that repeals the provision of law that would, beginning October 1, 2025, lower the Next Generation 9-1-1 (NG 9-1-1) access fee from $0.40 to $0.25. House additionally increases the user fee from the current level of $0.40 per month to $0.60 per month. The increase in the monthly user fee will provide additional revenue to county 9-1-1 operations as they upgrade and operate the Next Generation System.

Child Care

The House reduced the eligibility for publicly funded child care back to 145% of the federal poverty level (FPL), which is current law, from 160% of the FPL in the executive version. The Child Care Choice Voucher program will provide publicly funded child care to families up to 200% FPL. The House substitute bill funds the vouchers at $50 million in each fiscal year.

The House added language to create the Child Care Cred Program, which allows the cost of child care to be split between the employee, employer, and Department of Children and Youth. The program is funded at $10 million in SFY 2026. Under the program, costs would be split: 40% by the employee, 40% by the employer, and 20% by the Department of Children and Youth.

The House substitute bill includes $3.2 million in SFY 2026 for the new Child Care Provider Recruitment and Mentorship Grant Program to help increase the number of licensed child care providers in Ohio and to assist recruited entities and individuals.

The House removed the refundable child tax credit proposed in the executive version of the budget, which was funded by an increase in the cigarette tax.

Other Substitute Bill provisions that impact counties

State agencies and departments are presented in alphabetical order, starting with the statewide elected offices. If you have any questions about provisions listed below, please contact policy@ccao.org.

Attorney General

Law Enforcement Training

As mentioned in the prior article, the House removed the adult-use marijuana excise tax revenue distribution which would have provided the Attorney General funding for law enforcement training ($35 million in SFY 2026 and $40 million in SFY 2027). The House provides $30 million in SFY 2026 and $35 million in SFY 2027 for law enforcement training through state general revenue fund dollars.

Prosecution of Offenses Perpetrated in DRC Facilities
The House bill allows the Attorney General to appoint a special prosecutor for the prosecution of offenses that occur in a facility operated by the Department of Rehabilitation and Correction.

Public Records Law Changes
The bill broadens exemptions to Public Records Law that, for the purposes of counties, include the following:

- Exempts and defines “specific investigatory work products” as information assembled by law enforcement officials in connection with probable or pending criminal proceedings.
- Exempts a record created using an assistive device or application when the record is used, maintained, and accessible only to the individual creating the record or causing the record to be created.
- Exempts personal notes of a public official or public employee, or attorney acting in official capacity on behalf of a public official or employee, which were created for reference and convenience and are used, maintained, and accessible only to the individual creating the record.

Auditor of State
Audit Costs
The House provided the Auditor of State with its original budget request funding level for local audit cost support. The funding will allow the Auditor to limit hourly rate increases for audits charged to local governments to $1 per fiscal year ($41 per hour in SFY 2025 to $42 in SFY 2026 and $43 in SFY 2027). Under the Governor’s proposal, the Auditor expected to have to increase the hourly rate to $50 per hour in SFY 2026 and $56 per hour in SFY 2027.

Indigent Defense Audit
As mentioned in the prior article, the bill appropriates $500,000 for the Auditor to conduct a performance audit of the indigent defense system and submit the report to the leadership of both caucuses of both chambers of the General Assembly by August 1, 2026.

Secretary of State
Help America Vote Act (HAVA)
The budget largely eliminates funding from the federal HAVA appropriation item. The appropriation item has previously totaled about $5 million per year. The decrease is due to a lack of funding from the federal government.

Treasurer of State
County Recorder Modernization
The bill eliminates funding for county recorder modernization assistance. These funds were intended to be one-time funds to assist county recorders in complying with digitization requirements.

Investment Policies

The bill prohibits a number of investing authorities, including the investing authority of counties, from making an investment decision with the primary purpose of influencing environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law. This is ban on the investment principal sometimes referred to as “ESG.” The bill does not outline an enforcement mechanism.

Department of Administrative Services

MARCS

The bill appropriates $10.5 million in each fiscal year to partially offset the MARCS subscriber fee paid by local governments.

Subcontractor Disqualification Prohibition

The bill prohibits public authorities (a broad term that includes counties) from, for subcontracts of construction managers at risk, integrated project contractors, and design build firms, disqualifying a bidder on the basis that the bidder has not complied with an affirmation action program or a diversity, equity, and inclusion program.

County policies to assist minority business enterprises in competitively bid contracts and set-aside programs for minority business enterprises or EDGE business enterprises are exempt from the above provision.

Madison County Land Conveyance

Authorizes DAS to convey DRC state-owned property in Madison County to Madison County via negotiated purchase agreement.

Department of Aging

Senior Community Services

These funds are used to provide community-based services to assist seniors to live independently in their own homes and communities as long as possible and flow through the local Area Agencies on Aging through a population-based formula. The House increased funding for these services by $150,000 each fiscal year, for a total of $10.75 million in SFY 2026 and $10.79 million in SFY 2027.

Healthy Aging Grants

These were one-time federal ARPA dollars, so this line item is zeroed out in the budget.

Department of Agriculture

Soil and Water Conservation Districts

The budget increases state funding for state to local match in soil and water conservation districts by 17% over the biennium. The budget also gives $10.5 million in SFY 2026 and SFY 2027 to the Soil and Water Conservation District’s Special Fund.

County and Independent Fair Support

The budget does not provide funding for county and independent fairs. Funding has intermittently been provided through budgets, including in SFY 2025 and SFY 2022.

H2Ohio Funding

The House decreases H2Ohio funding for the Department of Agriculture, Department of Natural Resources, and the Department of Environmental Protection Agency to $150 million over the biennium (the Governor's proposal funded H2Ohio through the Department at $270.3 million over the biennium).

County Apiarists
The bill allows a board of county commissioners to, with approval of the Department of Agriculture, to hire more than one deputy apiarist.

Department of Behavioral Health

Funding for ADAMH boards
HB 96 proposes to change the funding structure for many funding streams that flow through ADAMH boards. Currently, ADAMH boards receive funding for several programs, each with specific criteria for how the funds will be spent. HB 96 proposes structuring this funding through six block grants designed to provide more flexibility to boards in their ability to spend the funds.

The six block grants are Prevention, Crisis Services, Mental Health, Substance Use Disorder, Recovery Supports, Criminal Justice Services. The Director of Behavioral Health shall adopt guidelines on the eligible uses of these block grants. The Director of Behavioral Health shall create a uniform reporting structure related to the expenditures, uses, and outcomes of the state block grants described in this section to ensure that thorough and accurate data is reported with a focus on transparency, accountability, process improvement, outcomes, and return on investment.

<u>Prevention State Block Grant</u>: HB 96 funds this grant at $3 million per year.

<u>Crisis Services State Block Grant</u>: This is funded out of the Crisis Services and Stabilization line item, which is funded at $17 million in SFY 2026 and $22 million in SFY 2027.

<u>Mental Health State Block Grant</u>: HB 96 funds this grant at $69.5 million per year.

<u>Substance Use Disorder State Block Grant</u>: HB 96 funds this grant at $9.5 million per year.

<u>Recovery Supports State Block Grant</u>: HB 96 funds this grant at $19.5 million per year.

<u>Criminal Justice Services State Block Grant</u>: HB 96 funds this grant at $5.1 million in SFY 2026 and $5 million in SFY 2027 (a decrease from the Governor's proposal of $6.3 million in each year).

Behavioral Health Drug Reimbursement Program
The House increases the appropriation for this program to $7.75 million per year from the Governor's $5.25 million per fiscal year.

988 Suicide and Crisis Response

The House funds the 9-8-8 line at $20 million per year from the General Revenue Fund. This is a change from Governor's proposal of using adult-use marijuana excise tax to fund 9-8-8 at $34 million in SFY 2026 and $41 million in SFY 2027.

Data Sharing Agreements
The House requires the Department, along with the Department of Medicaid and county ADAMHS boards to develop a three-way data sharing agreement where the three can exchange claims-level client data and information to ensure the ADAMHS boards can provide a complete continuum of care.

Pretrial Behavioral Health Intervention Pilot
The House eliminates a pilot program proposed by the Governor that would have diverted jailed defendants with serious mental illnesses and substance use disorders from the criminal justice system.

Office of Budget and Management
Medicaid Trigger Savings
The House requires that OBM transfer any savings from the Medicaid expansion trigger language (see Department of Medicaid section below) be transferred to the Budget Stabilization Fund (the "Rainy Day Fund") and/or Expanded Sales Tax Holiday Fund.

Public Library Fund
The House changes the Public Library Fund from a portion of the GRF tax revenue to a direct GRF appropriation and replaces the current distribution formula with a distribution based on county population.

Department of Children and Youth
Additional Child Welfare Investments
The following investments are flat funded in the House version of HB 96: multi-system youth funding, Kinship Permanency Incentive Program, Kinship Care Navigator Program, children services best practices funding, and family and children first councils.

Permissive Family and Children First Councils
The House includes a provision that would allow a board of county commissioners to decline to establish or maintain a county family and children first council if it determines the following conditions exist in the county:

1. Alternative programs and services exist to meet the needs of those served by a county FCFC;
2. A county FCFC is not or would not be sustainably funded;
3. The director of the county JFS agency, executive director of the PCSA, and county DD board, each recommend a county council not be established or maintained.

If a decision to eliminate the FCFC or not establish an FCFC is made, a board of commissioners may reconsider the decision at any time, but must reconsider it at least once within the first five years of the decision.

Benefits for Children in Custody
The House maintains language that requires a PCSA to determine, when a child comes into custody, if the child is eligible for or receives benefits administered by any of the following:

- US Social Security Administration
- US Department of Veterans Affairs
- Ohio Public Employee Retirement System
- Ohio Police and Fire Pension Fund
- State Teachers Retirement System of Ohio
- School Employees Retirement System of Ohio
- Ohio Highway Patrol Retirement System

If the child is eligible, the PCSA is not permitted to use those benefits to pay for or reimburse for any cost of care, including placement costs. Currently, some PCSAs do use such funds to pay for a portion of a child's placement costs. Additionally, if PCSAs do not currently have this practice, it will require an administrative change to ensure the requirements of the statute are met.

Home Visiting
The bill includes an additional $7.6 million in SFY 2026 and $7.0 million in SFY 2027 to increase home visiting over the biennium. The Governor's proposal had provided an additional $29 million in SFY 2027, so the SFY 2027 figure is an increase over current levels but a decrease from the Governor's proposal.

Early Intervention
The House version maintains an investment of $7 million in SFY 2026 and $9 million in SFY 2027 for DCY to subgrant or contract with county boards of developmental disabilities for the provision of early intervention evaluations, assessments, and service coordination.

The bill requires boards that accept these funds to maintain the level of local funding for early intervention at the same funding level as the prior fiscal year.

Department of Development
Grant Programs
The House added a continuation of the Brownfield Remediation Grant Program through $125 million in each fiscal year through a transfer of funds from the All Ohio Future Fund and a continuation of the Demolition and Site Revitalization Grant Program through $20 million in each fiscal year through a transfer of funds from the GRF.

Housing
The House eliminates the Ohio Housing Investment Opportunity Program, a program in the Governor's proposal that would have focused on affordable housing in rural and border counties.

The House continues and expands the Welcome Home Ohio program by increasing the income eligibility thresholds, increasing the allowable usage of WHO funds, broadening the eligible properties, and provides funding in SFY 2027 as well as SFY 2026.

Broadband
The budget includes $793 million in federal funding for the Broadband Equity, Access, and Deployment Program. This is a one-time federal award. The House earmarks $20 million in SFY 2026 to support the U.S. Route 30 OARnet Broadband Expansion project to expand middle-mile broadband infrastructure along Route 30.

The budget also includes $50 million for grants to facilitate projects to replace broadband poles and broadband undergrounding projects.

Cybersecurity
The budget includes $7 million for local government cybersecurity grants in SFY 2026.

Ohio Housing Trust Fund Fees
The bill removes the requirement that the designated share of Low- and Moderate-Income Housing Trust Fund fees collected by the county recorder be transferred to the Ohio Housing Trust Fund and instead requires counties use the revenue from the fees for purposes determined by the Department of Development. LSC reported that the Housing Trust Fund collected approximately $49.9 million in FY 2023 and $44.6 million in FY 204 respectively. This revenue would stay locally under the house substitute bill and will be available to counties.

Workforce Reentry Pilot Program Grant
The House appropriates $1 million in each fiscal year for a workforce reentry pilot program in Meigs, Athens, Morgan, Noble, Monroe, and Washington counties for individuals who have completed behavioral health recovery programs.

Individual Energy Assistance Programs
The budget shifts administration and operation of five energy assistance programs to the Department of Job and Family Services. The programs transferred are those that are available to individuals or households. Similar programs that are available to commercial entities or community-level entities will remain in the Department of Development. The transition will occur in SFY 2027. The programs are:

- Low Income Energy Assistance
- Utility Community Assistance
- Home Energy Assistance Block Grant
- HEAP Weatherization
- Community Services Block Grant
- Home Weatherization Program

Department of Developmental Disabilities
County Board Waiver Match
The line items for county boards of developmental disabilities waiver match, which is the county's nonfederal share of home and community based services, includes a 21% increase. This reflects the increase the department anticipates based on a variety of factors in service delivery.

Multi-System Youth
Multi-system youth funding for county boards of developmental disabilities is flat funded at $5 million per year.

Training Course Requirements
The House added provisions requiring that county DD board superintendents ensure that service-and-support administrators successfully complete required web-based training programs within 30 days of their hire.

Environmental Protection Agency
Cybersecurity
The budget includes $8 million for water system cybersecurity grants over the biennium, with $2 million available in SFY 2026 and $6 million available in SFY 2027.

Tire Fees and Soil and Water Conservation Districts
The House allows the $0.50 fee levied on each tire sold that is deposited into the Soil and Water Conservation District Assistance Fund to on June 30, 2026. The Governor's proposal made the fee permanent.

Solid Waste and Construction and Demolition Debris (C&DD) Removal
The House eliminates all provisions of the bill pertaining to solid waste and C&DD removal. The Governor's proposal would have largely aligned Ohio EPA authority on accumulations of solid waste and C&DD with that of OEPA's existing authority on scrap tires.

Solid Waste and Construction and Demolition Debris (C&DD) Fees
The House eliminates all provisions of the bill pertaining to solid waste disposal fees and C&DD fees. The Governor's proposal would have changed the distribution of the fees.

Department of Job and Family Services
SNAP Income Maintenance (IM) Control
The House increased administrative funding for counties in the ODJFS SNAP IM Control line item to $46 million per year. The allocation in the current biennium is $43.9 million per year.

Medicaid IM Control
The House reduced Medicaid administrative dollars to counties from $49 million per fiscal year to $44 million per fiscal year. The executive version included $5 million in this line item for performance incentives for counties. That incentive was eliminated, so the $44 million per year will flow to county JFS agencies through the standard allocation process.

Adult Protective Services
The House increased the Adult Protective Services allocation by $2 million per fiscal year. The county base allocation will remain at $80,000 per county and the additional funds will flow through the allocation formula based on previous allocations, the percentage of older adults in the county, and the percentage of county residents in poverty.

SNAP Change Reporting

The House added language that would prohibit the state from using simplified (used today) or quarterly reporting for SNAP recipients. This language requires households to report changes in circumstances that may affect eligibility for continued receipt of benefits within 30 days. This change will result in increased administrative costs for county JFS agencies.

Child Support Enforcement
The House substitute bill adds a new requirement that both parents pay child support, rather than the obligor, and changes the definition of obligor. This change would be a big shift in practice for child support enforcement agencies.

The bill maintains $26.4 million per fiscal year in child support enforcement funds.

Benefit Bridge
The benefit bridge program continues to be funded in HB 96.

Last operating budget, the legislature included an employer benefit bridge program, run through the employers rather than JFS agencies. This program is not funded in HB 96.

Information Sharing
The bill requires the Department, along with the Department of Medicaid and county departments of job and family services, to provide the Executive Director of the Joint Medicaid Oversight Committee (JMOC) and the JMOC staff access to view information and systems used for determining public assistance benefit eligibility. The viewable information and systems must also include billing, payments, and provider tracking.

The bill also requires that the JMOC executive director and staff receive training to ensure how to properly understand and interpret the information. The bill does not assign responsibility for providing the training.

Department of Health
Children and Youth with Special Health Care Needs
The House expands eligibility for the Children and Youth with Special Health Care Needs by increasing the maximum age of participants to from 25 to 26 years old and increases the appropriation for the program by $500,000 in SFY 2026.

The House maintains the county assessments line item for this program at $24 million per fiscal year.

Lead Abatement Funding
The House eliminates funding for lead abatement programs. The Governor's proposal would have distributed $7.5 in each fiscal year for projects including lead hazard control and rehabilitation (through two appropriation items).

Judiciary
Clerk of Courts Requirements

The budget requires clerks of courts to make all criminal and probate dockets available online and to adopt a procedure to determine and implement the best means and methods for storing, maintaining, and retrieving all papers delivered to the clerk.

Computerization Fund Fees
The House reduces the fees that the clerk of courts is allowed to charge for the benefit of the computerization fund. Each fee is reduced by half (some filing fees from $6 to $3, other filing fees from $20 to $10, and fees for other services from $1 to $0.50).

Ohio Courts Technology Initiative
The House adds clerks of the courts of common pleas (elected and appointed) as eligible applicants for the Ohio Courts Technology Initiative grant program.

Department of Medicaid

Multi-System Youth Custody Relinquishment Funding
The budget reduces funding for the multi-system youth custody relinquishment program by $7.5 million, bringing funding for the program to $20 million in each year. This funding is used to prevent custody relinquishment and to obtain services that meet the state's multi-system youth action plan.

Medicaid Expansion
The budget includes a provision that requires ODM to immediately discontinue medical assistance for the Medicaid expansion population if the Federal Medical Assistance Percentage (FMAP) for that group is set below 90%.

The House requires that the Department establish a phased transition plan to assist individuals who would no longer be eligible for Medicaid acquire private insurance or charity care for medical assistance.

Work Requirements
The last state operating budget required ODM to submit a waiver to the Centers for Medicaid and Medicare Services for a work requirement for the expansion population. HB 96 includes language allowing ODM to transfer money to counties via JFS to implement a work requirement if one is established. Counties would submit allowable expenses, and ODM would make rules around these dollars.

The House requires the Department to conduct a study on the feasibility, legality, and potential cost savings of establishing a waiver component that establishes work requirements for Medicaid recipients and includes additional workforce development requirements.

Reentry Waiver
The House requires the Department to seek a waiver to provide mental health, behavioral health, and substance use disorder services to Medicaid-eligible inmates who are within 90 days of release from a prison or jail. Additionally requires the sought waiver to provide for a 30-day supply of prescription medication, including injection-administered medication, upon the individual's release.

Medicaid Enrollment for Children
The House eliminates a provision of current law that requires the Department seek approval from the federal government to provide continuous enrollment for Medicaid-eligible children from birth to age three.

Doula Coverage
The House limits Medicaid coverage of doula services to $500,000 per year and only allows coverage for services in the six counties with the highest infant mortality rates.

Information Sharing
The bill requires the Department, along with the Department of Job and Family Services and county departments of job and family services, to provide the Executive Director of the Joint Medicaid Oversight Committee (JMOC) and the JMOC staff access to view information and systems used for determining public assistance benefit eligibility. The viewable information and systems must also include billing, payments, and provider tracking.

The bill also requires that the JMOC executive director and staff receive training to ensure how to properly understand and interpret the information. The bill does not assign responsibility for providing the training.

Data Sharing Agreements
The House requires the Department, along with the Department of Behavioral Health and county ADAMHS boards to develop a three-way data sharing agreement where the three can exchange claims-level client data and information to ensure the ADAMHS boards can provide a complete continuum of care.

Change in circumstances eligibility verification
The House bill adds language requiring the Department or its designee, within 30 days of the bills effective date, to begin using third-party data sources to conduct eligibility change in circumstances checks for all Medicaid recipients quarterly and to disenroll individuals found no longer eligible.

Department of Natural Resources

H2Ohio Purposes
The House added provisions that prohibits H2Ohio funding from being used to purchase land or conservation easements.

Department of Public Safety

Drug Task Forces
With the allocation of adult-use marijuana excise tax revenue into the GRF, the House eliminates funding for drug task forces (the Governor's proposal allocated $12.5 million in SFY 2026 and $18.5 million in SFY 2027).

Peace Officer Training

With the reallocation of adult-use marijuana excise tax revenue into the GRF, the House eliminates funding for peace officer training (the Governor's proposal allocated $40.0 million in SFY 2026 and $59.2 million in SFY 2027).

Towed Vehicle Recovery Fee
The bill requires crime victims whose motor vehicles were towed by order of law enforcement to pay the costs of towing and storage to retrieve their vehicle. Under current law, the general provisions of Marsy's Law (R.C. 2930.11) prohibit charging fees to crime victims for the recovery of property.

Department of Rehabilitation and Correction

Felony Cost Reimbursement
The bill earmarks $250,000 in each fiscal year for reimbursements to counties for the costs incurred in the prosecution of felonies that occur on the grounds of correctional institutions operated by the Department. These funds would be available for offenses not prosecuted by the Attorney General under the AG's new permissive authority to directly prosecute such offenses (see Attorney General section above).

Department of Taxation

Local Government Fund
The House retains the increase in the LGF share to 1.75% of GRF tax revenue. The Legislative Service Commission estimates this will increase the LGF by $15 million in SFY 2026 and $16 million in SFY 2027.

Sales Tax, General
The bill does not include any new sales tax exemptions.

Sales Tax Refunds
The bill eliminates interest on refunds of county sales and use tax and extends the maximum recovery time from three years to six years.

County Cigarette Tax
The House expands the authority for a county to levy a cigarette tax to benefit an arts and cultural district to Summit County.

Income Tax
The bill does not include any changes to the state's income tax brackets.

Adult Use Marijuana Excise Tax
As mentioned throughout, the House eliminates the distribution formula in the Governor's proposal for adult-use marijuana excise tax revenue. Instead, the bill allocates 80% of the revenue to the GRF and 20% to the Host Community Fund for payments to municipalities and townships that have dispensaries. The bill sunsets the Host Community Fund after SFY 2030.

The bill also reduces the excise tax rate to 10% (its current law level).

Department of Transportation

Airport Improvement Program and Airport Grants

The bill creates the Ohio Airport Improvement Program to finance airport improvements for publicly owned, public-use airports and dedicates a portion the petroleum activity tax revenue to support the program. The bill appropriates $4.65 million each fiscal year for the program.

The creation of this program was originally included in HB 54 (the Transportation Budget) but was removed in the Senate when the decision was made to move all General Revenue Fund spending to the operating budget.

The House also earmarked $5 million for matching funds for airports that received federal funding through the Infrastructure Investment and Jobs Act.

Drones For First Responders Pilot Program

The House earmarks $4 million for a pilot program to assist municipalities with acquiring unmanned aerial systems for first responders. Counties are not included as eligible applicants.

Local Government Provisions

Provisions in this section pertain directly to local governments and not to a state department or agency.

County Budget Commission

The bill requires school districts, with some exceptions, to submit their five-year projections of operational revenues and expenditures (“five-year forecast”) to county budget commissions. If the fire-year forecast shows an operating budget carry-over balance of greater than 25% of the district’s expenditures, the county budget commission is required to reduce the district’s property tax rates levied for current expenses by the amount that the five-year forecast shows the district’s carry-over exceeds 25% of the district’s expenditures.

Community College Property Tax Authority

The bill allows the board of trustees of a state community college to propose a property tax levy for operating purposes. The levy can only be placed in the county that the college’s main campus is located, funds from the levy must be used to support operations in that county, and the college must charge a lower tuition rate to students who reside in that county.

Community Reinvestment Areas

The bill allows local governments to extend the terms of CRA exemptions to a total of 30 years for existing buildings expected to be the site of a megaproject or owned/occupied by a megaproject supplier.

Damaged or Destroyed Manufactured Home Tax Waivers

The bill allows manufactured home park operators to provide county auditors with a notice (which must include photographic evidence) that a manufactured home has been damaged or destroyed to initiate a refund or waiver of taxes on the home in question.

Property Tax Challenges
The bill requires disclosure when a third-party filing property tax valuation complaints and counter-complaints is acting on behalf of the legislative authority of a political subdivision or the mayor of a municipality.

Political Subdivision Communications
The bill includes charter counties and municipalities to the same prohibitions that other political subdivisions have regarding the use of public funds in support of certain communications or staff time for certain activities. These prohibitions are in R.C. 9.03 and, among others, prohibit the use of public funds in support of candidates, political parties, illegal discrimination, levy or bond issues, and illegal activities.

Video Public Records
Allows county prosecutors to assess charges for preparing video public records in the same manner as state and local law enforcement.

Prohibits any of these entities from charging a fee for preparing a video record when the requester is a victim under Marsy's Law (or their legal counsel or insurer).

Eminent Domain
Removes the creation of recreational trails from the allowable public uses for the purposes of eminent domain.

Nonemergency Patient Transportation
Allows counties with a population of under 60,000 (instead of 40,000 as under current law) to operate a nonemergency medical transportation service.

County Elected Officials in Office
The bill requires that all county officers to appear in office at least once out of thirty consecutive days. If an officer fails to do so, their office is deemed vacant. Current law sets the time required for an office to be deemed vacant at 90 days and does not specifically require appearing in person at their primary office.

Commissioner Oversight of Bonuses
The bill limits the size of cash awards that county agencies can give to employees per calendar year for outstanding performance (a "bonus") to 10% of their annual compensation. The board of county commissioners may, by written policy, authorize greater percentages.

Park District Board of Commissioners Appointing Authority
For the board of park commissioners for a park district that was a township park district created before 1892 and converted to a park district on or before January 1, 1989, the appointing authority for the board is changed from the county probate judge to the county board of commissioners and makes other changes. CCAO is not immediately aware of which park districts this applies to.

Abandoned Manufactured Home Removal

The bill requires county auditors to waive all unpaid manufactured home taxes charged against a home that is destroyed within one year of the title's transfer to a manufactured home park operator.

Local Option Election Costs
The bill requires the petitioner of a local option election for alcohol sales to pay the entire cost of the election if it is held on a day other than the day of a primary election, general election, or special election involving a question, issue, office nomination, or office election. Under current law, these election costs are generally paid by the township or municipality the petitioner is located in.

Battery-Charged Fence Regulations
The bill prohibits counties and other political subdivisions from adopting or enforcing regulations that prohibit the installation of battery-charged fences (generally, electric security fences) if the fence meets certain standards. Permits and/or fees may still be imposed on the installation or use of such fences and prohibitions can be placed on fences that do meet the specifications in the bill.

Public Library Board of Trustees
The House reduces the terms of office for members of the board of trustees of library districts appointed after the bill's effective date. The trustees appointed by the court of common pleas will have their terms shortened to two, three, and four years (down from current law's two, four, and six years) and the trustees appointed by the board of commissioners will have their terms shortened to one, two, three, and four years (down from current law's one, three, five, and seven years).

Legislative Activity

Bill Signings

Governor Mike DeWine signed the following bills of note to counties:

- House Bill 54 (Representative Brian Stewart): Transportation Budget
    - The Governor issued no vetoes.

Committee Hearings

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

House Arts, Athletics, and Tourism

- House Bill 138 (Representatives Mike Dovilla and Nick Santucci): To authorize the creation of tourism promotion districts and the levying of assessments therein.
    - First hearing, sponsor testimony

Senate Agriculture and Natural Resources

- Senate Bill 147 (Senator Bill Reineke): To make changes to the laws governing the transfer and disposal of solid waste and construction and demolition debris and to provide for new procedures governing a county's withdrawal from a joint solid waste management district.

  - Third hearing, proponent testimony from Seneca County Commissioner William Frankart, the Seneca County Board of Health, the Seneca County Health District, and private citizens; opponent testimony from Vance Environmental and the Western Ohio Homebuilders; interested party testimony from the Ohio Chamber of Commerce and the Association of Ohio Health Commissioners.
  - **AMENDED** to allow the division of assets among the counties of a dissolving joint district to occur outside of the MOU process.
  - **FAVORABLY REPORTED**

Senate General Government

- Senate Bill 37 (Senator Bill DeMora): To require a presidential primary election to be held on the first Tuesday after the first Monday in May.
  - First hearing, sponsor testimony

House Agriculture

- House Bill 163 (Representatives Tristan Rader and Kellie Deeter): To require Ohio's SNAP program to begin using chip-enabled EBT cards, to name this act the Enhanced Cybersecurity for SNAP Act of 2025, and to make an appropriation.
  - First hearing, sponsor testimony
- House Bill 174 (Representatives Tristan Radar and Desiree Sims): To refund SNAP recipients who have been victims of electronic theft or fraud, to name this act the No Hungry Families Act, and to make an appropriation.
  - First hearing, sponsor testimony

House Local Government

- House Bill 154 (Representatives David Thomas and Chris Glassburn): To require school district approval of residential community reinvestment area property tax exemptions.
  - First hearing, sponsor testimony

House Ways and Means

- House Bill 103 (Representatives Dan Troy and Thomas Hall): To increase the homestead exemption amount and income limit.
  - First hearing, sponsor testimony
- House Bill 186 (Representatives Jim Hoops and David Thomas): To authorize a reduction in school district property taxes affected by a millage floor that would limit increases in such taxes according to inflation and to require a corresponding adjustment in the school funding formula.
  - First hearing, sponsor testimony

Senate Finance

Budget testimony from the Office of Budget and Management, LSC, the Governor’s Office, the Attorney General, the Secretary of State, the Auditor of State, and Treasurer of State, the House of Representatives, and the Senate.

Introduction of Bills

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

- House Bill 215 (Representatives Dontavious Jarrells and Jason Stephens): To prohibit most property tax levies submitted at a general election from taking effect in the current tax year.
- House Bill 216 (Representatives Josh Williams and Dontavious Jarrells): To establish the 'A HAND UP' pilot program, to designate this act as the Actionable Help And New Dignity for Upward Progression (A HAND UP) Act, and to make an appropriation
- House Bill 217 (Representatives Christine Cockley and Kevin Ritter): To require law enforcement agencies to enter information relating to a report of a missing person in the national missing and unidentified persons system (NamUs).
- Senate Bill 161 (Senators Tim Schaffer and Terry Johnson): To require the Director of Job and Family Services to seek permission to exclude certain items from the Supplemental Nutrition Assistance Program.

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, April 8

House Finance (9:00 a.m.)

- House Bill 96: Main Operating Budget
  - All testimony
  - **SUBSTITUTE BILL**
  - **POSSIBLE VOTE**

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

- House Bill 178 (Representatives Dan Troy and Josh Williams): To establish a supplemental benefit allotment for certain recipients of supplemental nutrition assistance program benefits and to make an appropriation.
  - Sponsor testimony

Wednesday, April 9

Senate Finance (9:30 a.m.)

- Budget testimony from the Supreme Court of Ohio, the Ohio Public Defender, the Department of Children and Youth, and the Department of Job and Family Services.

House Ways and Means (11:30 a.m.)

- House Bill 129 (Representative David Thomas): To limit the ability of school districts to reallocate unvoted property tax millage and to include certain property and school district income taxes in the calculation of a school district's effective millage floor.
    - First hearing, sponsor testimony
- House Bill 186 (Representatives Jim Hoops and David Thomas): To authorize a reduction in school district property taxes affected by a millage floor that would limit increases in such taxes according to inflation and to require a corresponding adjustment in the school funding formula.
    - Second hearing, proponent testimony