STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

April 11, 2025

House passes Operating Budget with county government reform changes

This week, the House Finance Committee adopted its omnibus amendment to House Bill 96, the state's Main Operating Budget. The bill was later passed out of the committee and passed by the full House of Representatives on Wednesday by a vote of 60-49.

The omnibus amendment included many provisions that affect counties. These are discussed below, generally organized by subject area. A more comprehensive overview of county provisions in the full budget bill can be found on CCAO's Bill Tracker.

Agriculture and Rural Affairs Provisions

Soil and Water Conservation District Assistance Fund Fee Revenue Sunset

The bill extends the sunset provision on the $0.50 fee sold on tire sales that is deposited to the Soil and Water Conservation District Assistance Fund from expiring on June 30, 2026, to June 30, 2041.

Mercer County Fairgrounds Earmark

The amendment includes a $500,000 earmark in SFY 2026 for the Mercer County Fairgrounds Grand Events Center.

General Government Provisions

County Coroner Recodification as Appointed

The amendment recodifies the county coroner as a position appointed by the board of county commissioners instead of a position elected by voters. Current officeholders can complete their terms (coroners were elected in November, so their terms will end on January 7, 2029).

Aside from the shift to appointed status, the amendment does not make many changes to county coroner law. The appointments will last for the same duration as elected terms (four years, beginning on the first Monday of January) and there is no change to the coroner compensation schedule (they are included in an amendment discussed below providing county elected officials, and others, a pay raise).

One change that was made concerns who becomes an acting county commissioner when two commissioners are absent due to sickness or injury. Under current law, the county coroner becomes an acting commissioner (while retaining their duties as coroner) in such a situation. The amendment replaces the coroner with the county auditor for this purpose.

Elected Official Compensation

The amendment includes a raise for members of the judiciary, county elected officials, township elected officials, and members of county boards of elections of 5% per year through 2029 and, each year afterwards, a raise equal to the lesser of 3% or the rate of inflation as defined by the consumer price index.

Due to the constitutional prohibition on in-term compensation increases, county elected officials will not be able to receive the increased salary until their next term begins (for auditors and the January 1 seat on the board of county commissioners, that will be in 2027, and for the other row officers it will be in 2029). Judges are allowed to accept raises mid-term and board of elections members are not elected so both can receive the increased compensation upon the budget's effective date.

If a vacancy occurs in a row office position and it is filled after the budget's effective date, that individual can receive the adjusted salary.

CCAO is working with the Attorney General's office regarding the supplement that county sheriffs and some county prosecutors receive and if that is also subject to the prohibition on in-term compensation increases.

County Engineer Contracting Compensation

The bill changes the compensation that a county engineer can receive for contracting to provide services for county with a vacant engineer from 100% of the compensation that the elected engineer in that county would receive to between 80% and 100% of that compensation as determined by the Board of County Commissioners.

This is a CCAO-supported change that was intended to be included in the county engineer contracting language in House Bill 315 at the end of the 135th General Assembly but was accidentally omitted.

County Budget Commission Composition

The omnibus amendment replaces the county prosecutor with the president of the board of the county commissioners on the county budget commission. The county auditor and county treasurer remain on the commission.

County Recorder Electronic Modernization Program Funding

The bill eliminates the Torrens Law Assurance Fund and all statutory language related to Torrens Law and reallocates the remaining money in the fund to support the County Recorder Electronic Modernization Program, which is used to provide funding for county recorders to implement record digitization and electronic recording requirements.

The last budget included funding for the program that was intended as a one-time investment, so this provision provides limited additional funds. The additional funding is $1.75 million in SFY 2026.

Local Fiscal Emergency Receivership

The amendment creates a procedure for creating a receivership for counties, municipalities, and townships that are in fiscal emergency and gives the court of claims jurisdiction to appoint a receiver when one is required.

For counties, a receivership can only be created if the financial supervisor put in place for the county or the board of county commissioners requests the Attorney General for a receivership. Further, the board may only ask if both of the following conditions are met:

1. The county has been in a state of fiscal emergency for a continuous period of ten years OR at least twice in a period of ten years and the combined fiscal emergency is at least five years.
2. The county has demonstrated at least one of the following:
    a. Failure to comply with budgetary and spending processes
    b. Failure to ensure that appropriations comply with the financial plan in accordance with R.C. 118.13.
    c. Continued to assume debt without the approval of the financial planning and supervision commission
    d. Has undertaken administrative or legislative action that is not in accordance with the terms of its financial plan or, when applicable, was done without the permission of the commission.

Resolution of Findings for Recovery

The amendment clarifies that the following are classified as “resolved findings of recovery” for purposes of the prohibition against contracting with a person against who there are unresolved findings of recovery by the state:

1. Debt has been discharged in a bankruptcy proceeding or is no longer owed based on a final, non-appealable court order.
2. Any other reason the Attorney General has deemed that constitutes good cause for resolving the finding for recovery.

Providing Menstrual Products in Public Buildings

The bill prohibits government entities from placing menstrual products in men’s restrooms in public buildings.

Village Dissolution Evaluation Criteria

The amendment adds the provision of electricity services to the list of services that a village must provide at least five of to avoid qualifying for an automatic ballot questions regarding dissolution.

Human Services Provisions

Child Care Choice Voucher Funding

The amendment increases funding from the state TANF Block Grant used for the Child Care Choice Voucher Program (which allows families with an income between 146% of the federal poverty level (FPL) and 200% of FPL to receive publicly funded child care) by $50 million in each fiscal year from the substitute bill funding levels.

Child Care Cred Program Eligibility

The amendment includes a new eligibility criteria for participation in the Child Care Cred Program by limiting participating employees to only those with a family income below 400% of the federal poverty level.

Child Support Changes Removal

The amendment removes changes to the administration of child support that were made in the substitute bill.

Senior Community Services Earmark

The amendment includes an increase of $500,000 in each fiscal year for the Senior Community Services line item and prohibits the Department of Aging from using any funding from the line for administrative expenses.

Group Home Requirements

The Department of Children and Youth is required to adopt rules to establishment requirements regarding the following for group homes:

- Completion of background checks and criminal records checks for individuals who oversee or work within a group home using the Ohio Professional Registry.
- Training on behavioral intervention.
- The supervision of children, including establishing staff-to-children ratios.
    - The amendment also prohibits group homes from displacing children in order to meet ratio requirements.

The Department may revoke or suspend the certification of a group home if they fail to comply with the requirements the Department sets.

SNAP Exclusion of Sugar-Sweetened Beverages

The amendment requires the Department of Job and Family Services to seek a waiver from the US Department of Agriculture to exclude sugar-sweetened beverages from being purchasable with SNAP allotments and, if the US Department of Agriculture does not approve the waiver, requires JFS to reapply annually until approved.

The amendment defines “sugar-sweetened beverage” as one made with carbonated water that is flavored, contains a food additive, and is sweetened with sugar or artificial sweeteners. It specifically excludes milk, milk products, milk substitutes, or beverages that contain greater than 50% vegetable or fruit juice by volume or contain less than five grams of added sugar.

Medicaid Coverage of Doula Services
The amendment removes a cap of $500,000 per fiscal year for Medicaid covered doula services. It also changes the counties in which Medicaid can cover doula services to the six counties with the most infant deaths as opposed to the six counties with the highest infant mortality rates.

ADAMHS Board Community Plan Reporting
The bill requires the Department of Behavioral Health (currently named the Department of Mental Health and Addiction Services but renamed in the budget) to include certain datapoints, such as performance indicators, number of individuals served, and expenditures, in the reporting that ADAMHS boards must submit regarding their community plans.

ADAMHS Board Contracting with Hospitals
The amendment prohibits ADAMHS boards, when using Mental Health State Block Grant funds for certain mental health services, from refusing to contract with a hospital if it the hospital is in good standing with the Department of Behavioral Health and is willing to accept the board’s contract terms, provided the hospital is in the board’s service district.

Targeted Addiction Assistance Fund
The House added language that requires all money awarded to the state to address the effects of the opioid crisis to the Targeted Addiction Assistance Fund. Under current law, money received from opioid settlements (particularly *State of Ohio v. McKesson Corp.*) is partially provided to the Attorney General. The amendment requires the Attorney General, upon receipt, to remit all funds to OBM for deposit into the Targeted Addiction Assistance Fund.

Jobs, Economic Development, and Infrastructure Provisions

Regional Transportation Improvement Projects
The omnibus amendment broadens the definition of qualified regional transportation improvement projects (RTIPs) to include those that have completed a feasibility study as opposed to current law which only includes those that were created prior to October 3, 2023, and broadens the authority to form a transportation financing district (TFD) to all qualifying RTIPs.

Current law allows counties, along with townships and municipalities (depending on the makeup of the RTIP), may declare improvements within the area exempt from property taxation.

Welcome Home Ohio Increase and Funding Transfers

The amendment increases funding for the Welcome Home Ohio Program by $2.5 million in each fiscal year, equally divided between the home purchasing component of the program and the home rehabilitation and construction component of the program.

The amendment also makes an administrative change to the funding for the program and the funding for the Building Demolition and Site Revitalization Grant Program by transferring funding from the Local Government Tangible Property Tax Replacement Fund instead of the General Revenue Fund.

As a note, the Local Government Tangible Property Tax Replacement Fund is eliminated in the budget and the remaining payments for the fund's purpose will be made out of the General Revenue Fund, so the transfer of revenue from the fund for other purposes will not affect the payments that counties and other local governments receive for TPP reimbursement.

Broadband Regulation Exemption
The bill exempts broadband internet access service from regulation by the Public Utilities Commission of Ohio and prohibits state agencies, commissions, and political subdivisions from enacting, adopting, or enforcing any provisions that regulate or have the effect of regulating broadband internet access service.

There is a clarifying provision that specifies that the prohibition does not restrict any authority to administer a state or federal grant program or block the application of consumer protection and fair competition laws.

Eastgate Regional Council of Governments Earmark
The omnibus amendment requires that the $210,000 earmark allocated to the Eastgate Regional Council of Governments to support studying and construction of oil and natural gas pipelines within Ashtabula, Columbiana, Mahoning, and Trumbull counties.

Referendum on Township Zoning of Megaprojects
The bill exempts township zoning decisions related to property involved in a megaproject from referendum and allows them to take effect immediately.

Lead Abatement Funding
The amendment restores funding of $250,000 per year for lead abatement grants to local governments for projects that include lead hazard control and housing rehabilitation initiatives.

Ohio Housing Trust Fund Fee Usage
The amendment shifts the allowable usage that counties may use Ohio Housing Trust Fund fees retained under the bill from purposes determined by the Department of Development to purposes determined by the board of county commissioners.

Solid Waste Facility Permit Requirements

The amendment removes provisions from the bill that would have required persons proposing to open a solid waste facility or modifying an existing solid waste facility to submit a community impact analysis and to maintain a publicly accessible website and conduct certain public meetings within the county where the facility is located or contiguous to where it is located.

Housing Grants for Townships and Municipalities

The amendment establishes a grant program under the Department of Development to award state funding to townships and municipalities that adopt pro-housing policies, and appropriates $2.5 million in each fiscal year for the grants.

This is similar to provisions in a bill last General Assembly that CCAO worked with the sponsors of to include counties as eligible recipients. The bill was not changed before the General Assembly expired.

Justice and Public Safety Provisions

OPD Legal Training Earmark

The bill creates an earmark of up to $50,000 in each fiscal year for the Ohio Public Defender to provide legal training programs at no cost for private appointed counsel and for state and county public defenders who contract with OPD to provide indigent defense services.

Reentry Housing Siting Limits

The bill prohibits the Department of Rehabilitation and Correction from licensing a halfway house, reentry center, or community residential center if it is located within 500 feet of a school or child care center.

Medicaid 1115 Waiver for Incarcerated Medical Costs

The bill requires the Department of Medicaid to reapply for the 1115 Waiver within four years if the US Centers for Medicare and Medicaid Services does not approve the waiver, and requires the waiver, when granted, to be implemented within one year of its approval.

First Responder PTSD Earmarks

The bill increases earmarks for three programs that support first responders suffering from post-traumatic stress disorder and other mental health conditions.

Statewide Vehicle Registration and Renewal Fees for Highway Patrol

The omnibus amendment includes a fee increase of statewide motor vehicle registrations and renewals of $5 for both noncommercial vehicles (from $11 to $16) and nonapproprtioned commercial vehicles (from $30 to $35). All revenue from the $5 increase is dedicated to the Ohio State Highway Patrol for operating expenses.

Tax and Finance Provisions

County Budget Commission Review of School District Carryovers

The omnibus amendment includes multiple changes to the requirement that the county budget commission (CBC) roll back operating property taxes for school districts with an operating budget carryover of more than 25% of its operating expenses:

- Changes the carryover balance to 30% of the district's general fund expenditures for the prior fiscal year.
- Changes the data considered by the CBC from the district's five-year forecast to the data that districts already submit to the CBC and requires this data to be submitted by July 15 of each year.
- Requires the CBC meet to consider rate reductions for school districts by August 15.
- Allows the CBC to reduce current expense levy rates below a total collections threshold of 20 mills.
- Clarifies that the reductions applies by the CBC apply only to the current tax year.
  - Similarly requires that tax bills for property or manufactured homes that the liability of which have been reduced due to reductions from a school district carryover balance, to include a notice stating the reduction only applies to the current tax year.

Local Government Fund Deductions for Traffic Cameras

The amendment repeals language requiring LGF deductions for townships and counties that utilize traffic cameras to issue citations. This is mainly a technical amendment because the bill already includes language prohibiting townships and counties from using traffic cameras, so this statute would no longer be necessary.

Fairfield County Lodging Tax Extension Authority

The bill authorizes the Fairfield County Board of County Commissioners to renew a special lodging tax levied for a municipal educational and cultural facility for up to 15 additional years at a time. Under current law, the special lodging tax expires in 2028 and there is no authorization to extend it.

Thank you to the House of Representatives

CCAO would like to thank the members of the House of Representatives for their support of counties in the House passed version of HB 96. The House largely retained Governor DeWine's proposed investments and policies that strengthen the state-county partnership. They also provided additional targeted support and policy changes to counties in most of our priority areas. CCAO would encourage all our members to reach out and thank their Representative for their support of HB 96.

We would especially like to thank our former commissioners who are now representatives for their support of counties. Although we are thankful for all our former commissioner members, we would particularly like to thank Finance Chairman Brian Stewart and Majority Floor Leader Marilyn John for their support. Their knowledge and passion for county government played a major part in our success in the House.

CCAO Advocacy Task Force to meet on April 14 at 2:30pm

Following the House passage of HB 96, CCAO's advocacy focus shifts to the Senate. The CCAO Policy Team has begun meeting with members of the Senate to advocate for our budget priorities. The one-page advocacy documents are updated on our website based on the House passed version of HB 96, and we would encourage our members to reach out to their state senator and begin their advocacy. The documents will be updated as we receive amendment numbers and additional information from the Senate.

The CCAO Advocacy Task Force played an important part in our House advocacy efforts. We are looking forward to continuing the impactful work of the task force in the Senate. The next meeting of the task force will take place virtually on April 14th at 2:30pm. On the call, we will quickly recap our budget priorities contained in the House and outline an advocacy strategy for the Senate.

We would encourage all our members to participate in the task force. If you are interested in attending, please contact Karla Dunbar at kdunbar@ccao.org. If you have questions about the Task Force, please contact the Policy Team at policy@ccao.org.

Legislative Activity

Senate Floor Votes

The following bill that may be of interest to counties received a vote on the floor of the Senate this week.

- 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.
    - **PASSED 33-0**

Committee Hearings

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

House Community Revitalization

- 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.
    - First hearing, sponsor testimony

House Government Oversight

- House Bill 29 (Representatives Latyna Humphrey and Marilyn John): Regarding inmates' access to feminine hygiene products and showers by municipal and county correctional facilities and state correctional institutions.
    - Second hearing, proponent testimony from the Ohio Public Defender, the Ohio Justice & Policy Center, Planned Parenthood Advocates of Ohio,

Accompanying Returning Citizens with Hope, Unite for Reproductive and Gender Equity, and six private individuals

Senate Energy

- House Bill 15 (Representative Roy Klopfenstein): To amend the competitive retail electric service law, modify taxation of certain public utility property, and repeal parts of H.B. 6 of the 133rd General Assembly.
    - First hearing, sponsor testimony; proponent testimony from the Ohio Consumers' Counsel, the Ohio Manufacturers' Association, the Ohio Energy Leadership Council, and the Environmental Law and Policy Center; opponent testimony from AES and AEP; interested party testimony from a private individual.

Senate General Government

- Senate Bill 153 (Senators Theresa Gavarone and Andrew Brenner): To require verification of an elector's citizenship before the elector may vote and to modify procedures regarding voter registration, voter roll maintenance, absent voting, and election petitions.
    - First hearing, sponsor testimony
- Senate Bill 82 (Senators Bill DeMora and Theresa Gavarone): To specify that certain election officials are designated public service workers for purposes of the public records law
    - Second hearing, proponent testimony from the Franklin County Board of Elections and Common Cause Ohio.

Senate Ways and Means

- House Bill 28 (Representatives Adam Mathews and Thomas Hall): To eliminate the authority to levy replacement property tax levies.
    - First hearing, sponsor testimony

House Development

- House Bill 161 (Representatives Adam Bird and Jim Thomas): To extend sales and use taxes and local lodging taxes to short-term rentals and to require collection of those taxes by short-term rental platforms.
    - First hearing, sponsor testimony

House Local Government

- House Bill 124 (Representatives David Thomas and Thomas Hall): To modify the process for making property tax sales-assessment ratio studies.
    - Second hearing, proponent testimony from the County Auditors' Association of Ohio.

House Natural Resources

- House Bill 49 (Representative Thaddeus Claggett): To allow for the creation of water improvement districts.
    - First hearing, sponsor testimony

House Ways and Means

- 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 from the County Auditors' Association of Ohio, the Ohio Taxpayer Protection Act Coalition, Ohio REALTORS, and the Ohio Chamber Commerce.

Senate Addiction and Community Revitalization

- Senate Bill 138 (Senator Terry Johnson): To modify various laws regarding boards of alcohol, drug addiction, and mental health services and to impose penalties for not registering recovery housing residences
  - Second hearing, proponent testimony from the Ohio Association of County Behavioral Health Authorities, the Mental Health and Recovery Services Board of Lucas County, the Ohio Children's Alliance, the Ohio Community Corrections Association, the Ohio Council of Behavioral Health and Family Services Providers, and the Ohio Alliance of Recovery Providers.

Senate Finance

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

Introduction of Bills

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

- House Bill 222 (Representatives Gary Click and Ty Mathews): 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.
- House Bill 223 (Representatives Ty Mathews and Bernard Willis): To prohibit the state or a political subdivision from purchasing a United States or Ohio flag that was not made in the United States.
- Senate Bill 169 (Senator Catherine Ingram): To require training on emotional intelligence for peace officers.
- Senate Bill 172 (Senator Kristina Roegner): To specify that persons who are unlawfully present in the United States are not privileged from arrest.