STATEHOUSE REPORT

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House and Senate both introduce iGaming bills

In the last two weeks, the Senate introduced Senate Bill 197 (Senator Nathan Manning) and the House introduced House Bill 298 (Representatives Brian Stewart and Marilyn John), both of which expand gambling in Ohio, but differ in scope.

There is speculation that some version of expanded gambling in Ohio will be included in House Bill 96 (the Operating Budget), to provide additional state revenue and partially offset potential tax cuts.

The main provisions of both bills concern the legalization of internet gambling, defined as “games with virtual representations of spinning reels or wheels, cards, dice, tiles, or other equipment, with the outcome of the game being determined randomly.”

The table below summarizes how the two bills compare across several components. Those components where the bills differ are highlighted.

Comparison of gambling provisions in Senate Bill 197 and House Bill 298		
Component	**SB 197**	**HB 298**
Internet gaming regulatory authority	Casino Control Commission	
Entities allowed to operate internet gaming	Existing four casinos and existing seven racinos	
License fee to operate internet gaming	$50 million for initial license, $5 million for renewal	$50 million for initial license, $10 million for renewal
License duration	Five years	
Contract authority for internet gaming management company	Yes (Same fees apply) If contracted, both entities pay the license fees	

Comparison of gambling provisions in Senate Bill 197 and House Bill 298		
Component	**SB 197**	**HB 298**
Tax rate on internet gambling receipts	36% (if entity manages the internet service itself) 40% (if entity contracts with internet gaming management company)	28%
Revenue distribution	99% to GRF 1% to Problem Gambling Fund	
Other Provisions	Provisions concerning iLottery, horse racing, charitable gaming, sweepstakes and skill games, sports gaming, and general gambling regulation	Expansion of "online sweepstakes" ban

Under both bills, revenue from the initial license fee may vary between $550 million (if all 11 eligible entities decide to apply and operate the online platform themselves) and $1.1 billion (if all 11 eligible entities apply and all contract with an outside provider).

The renewal fee differs between the two bills: $5 million under SB 197 and $10 million under HB 298. Both require renewal at five year intervals, meaning renewal revenue could range from $55 million and $110 million under SB 197 and between $110 million and $220 million on each renewal.

The bills differ on the tax rate for internet gambling receipts, with the Senate levying a bifurcated rate depending if the entity contracts with a management company (36% if not, 40% if so) while the House levies a single rate at 28%.

In the fiscal analysis for SB 197, the Legislative Service Commission stated that it can't provide a concrete estimate for the revenue that internet gambling would generate, but based on neighboring states it may be in the hundreds of millions annually when the market fully matures. However, revenue from internet gambling may be associated with decreased revenue from the 11 physical entities.

After the provisions concerning internet gambling, the bills differ in scope. HB 298 expands the criminal offense of gambling to include sweepstakes in the form of online sweepstakes games to those that simulate a gambling game and utilizes a dual currency system.

SB 197, on the other hand, includes provisions related to a variety of other forms of gambling.

The bill allows the Ohio Lottery to offer internet gaming. The LSC fiscal note states that in Pennsylvania, which allowed iLottery in 2018, an estimated 14% to 17% of lottery receipts come from internet sales. Similar to the internet gambling analysis, if implemented in Ohio, additional revenue generated from iLottery may be partly offset by a reduction in traditional lottery spending as consumers shift their behavior. Revenue from iLottery proceeds will be distributed through the State Lottery Fund, which is used primarily to provide additional revenue for state education funding.

The Senate bill also allows for internet pari-mutuel wagering (a form of horse betting). The tax rate and distribution of gambling revenue on this form is unchanged. A quarter (25%) of revenue from this form of gambling is distributed to county agricultural societies.

The Senate bill also abolishes the State Racing Commission and moves responsibilities to the Casino Control Commission (CAC) and transfers charitable bingo and the licensing and regulation of virtual lottery terminals to the CAC from the Attorney General and Ohio Lottery, respectively.

As a note, LSC observes that certain provisions of both bills may be challengeable under the Ohio Constitution's limitation on casino gambling to specific locations. The bills' limits on what entities can provide internet gaming to the casino operators at those specific locations may be tailored enough to survive that scrutiny.

Additionally, LSC notes that the Constitution requires proceeds of the gross casino revenue tax to flow through a specified formula (part of which goes to counties). The provisions of both bills that dedicate 99% of revenue from internet gambling could be challengeable under that constitutional provision as well.

House Ways and Means hears property tax reliefs bills that differ on state reimbursement

This week, the House Ways and Means Committee heard sponsor testimony on two bills that aim to provide property tax relief for residential owners, but which differ on if the relief is temporary or ongoing and if local governments will be reimbursed for the foregone revenue.

First, House Bill 86 (Representative Jean Schmidt) would authorize a one-year reduction for real property or manufactured/mobile homes that have been continuously occupied by the same person between January 1, 2022, to December 31, 2024. The relief would equal the amount that their property tax bill in TY 2024 exceeded their tax bill in TY 2022, essentially giving a temporary property tax freeze.

Representative Schmidt introduced a similar bill in the 135th General Assembly (House Bill 402) with the notable difference that HB 402 included a provision requiring the Department of Taxation to provide payment from the state General Revenue Fund to each county equal to the total amount that property taxes were reduced.

This reimbursement mechanism is not in HB 86, so counties would bear the cost of the bill. The Legislative Service Commission has not released the bill's fiscal analysis.

The other bill on property taxes the committee heard was House Bill 156 (Representatives Thomas Hall and Dani Isaacsohn), which would create an ongoing property tax freeze for certain homeowners. The reduction is equal to the difference between the current year's property tax bill and the resident's property tax bill in the first year the homeowner was approved for the reduction. This reduction means that the homeowner would only have to pay the property tax equal to their first year and the remaining tax bill would be covered by the state.

For example, if a homeowner is first approved in TY 2025 (this year) and remains qualified for the next six years, their TY 2031 property tax bill would be the same as TY 2025. The difference between their true TY 2031 property tax calculation and their TY 2025 amount would be paid by the state.

To qualify for the property tax freeze (and to continue ongoing qualification), an applicant must meet the following requirements:

- Be at least 65 years of age;
- Must have continuously lived in the homestead for at least two years;
- Must have a total income of less than or equal to $50,000 per year;
    - This figure is indexed to inflation.
- The county auditor's appraised value of the home must be less than $500,000.

A fiscal analysis for the bill has not been released yet, but the analysis of a similar bill from the 135th General Assembly estimated that it may cost the state about $33.9 million in the first year and a compounding increase each year as property taxes increase.

Bills with county implications introduced

This week, both chambers saw multiple bills with potential county impacts introduced. These bills are summarized below, sorted by chamber.

House

House Bill 283 (Representatives Adam Mathews and Haraz Ghanbari): To require political subdivisions to adopt a cybersecurity program.

- This bill is similar to Senate Bill 203 (Senator Tim Schaffer), which the CCAO Board of Directors formally supported at its May meeting.
- HB 283 includes one additional provision that exempts the acquisition documents of cybersecurity software from public records requests. CCAO anticipates that the Senate will consider amending SB 203 to include a similar provision.

House Bill 284 (Representatives Mark Hiner and Erika White): To require iron or steel that is produced in the United States be used on projects supported by state funds.

- The bill expands upon an existing statutory requirement that requires steel used for building or structure (including highways) and funded by state capital funds be produced in the United States by applying the requirement to iron products, broadening the list of projects that must use U.S. iron and steel products, and by

applying the requirement to all projects supported by state funds, not just state capital funds.
- Any potential cost increase for county projects will depend on iron and steel commodity prices and the existing iron and steel source for county projects.

House Bill 297 (Representatives Kevin Ritter and Johnathan Newman): To increase the amount a county may provide to military and veterans organizations for Memorial Day expenses.
- The bill increases the amount that a county can provide to these organizations for Memorial Day from $500 to $1,000. The amount was set in 2002. The Bureau of Labor Statistics Inflation Calculation estimates that $500 in 2002 is roughly equivalent to $890 in 2025.

Senate
Senate Bill 206 (Senator Al Cutrona): To authorize a property tax reduction for certain owner occupied homes.
- The bill provides a 50% property tax reduction for qualified expanded homestead owners.
- The calculation for the "expanded homestead" includes value of land outside the standard homestead's one-acre limitation.

Senate Bill 208 (Senators Andrew Brenner and Michele Reynolds): To require any increased county real estate and manufactured home conveyance fees to be allocated for county-specific housing purposes.
- The bill requires that revenue collected from any increased conveyance fee at the county level be deposited into a special fund that the board of commissioners must use for housing projects in the county.
- The bill does not increase the maximum conveyance fee rate that counties can levy (0.3%). Currently 61 counties already levy the full rate, so as the bill is currently written they would be unable to utilize the new authority.

Legislative Activity

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

House Commerce and Labor
- House Bill 227 (Representatives Monica Robb Blasdel and Mark Johnson): To modify excavation requirements.
    - Third hearing, interested party testimony from the Ohio Municipal Electric Association.
- House Bill 246 (Representatives D.J. Swearingen and Tex Fischer): To require certain construction industry employers to use E-verify and to sanction specified hiring practices in the industry.
    - Third hearing, proponent testimony from the Ohio State Association of Plumbers and Pipefitters and the United Association of Plumbers and

Pipefitters, and interested party testimony from the Associated General Contractors of Ohio.
    - **AMENDED** to modify the duties of the Attorney General in relation to violations of the bill.

House Development

- [House Bill 17] (Representative Brian Lorenz): To classify certain storage condominiums as residential property for tax purposes
    - Third hearing, no 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.
    - Fourth hearing, proponent testimony from the County Treasurers Association of Ohio.
    - **FAVORABLY REPORTED**
- [Senate Bill 6] (Senator Kristen Roegner): To make changes to the law relating to building inspections.
    - Third hearing, opponent testimony from the Ohio Building Officials Association.

House Local Government

- [House Bill 92] (Representatives Mark Johnson and Riordan McClain): Regarding limitations on recovery and lien imposition by municipalities against property owners of non-owner-occupied properties for unpaid water, sewer, and disposal services rates and charges.
    - Third hearing, proponent testimony from the Ohio Apartment Association and opponent testimony from the County of Summit Department of Sanitary Sewer Services, the Association of Ohio Drinking Water Agencies, the Ohio Association of Public Safety Directors, the Ohio Municipal League, the Ohio Mayors Alliance, and eight cities.

House Ways and Means

- [House Bill 22] (Representatives Brian Lorenz and David Thomas): To increase the homestead exemption amount and income limit.
    - Sixth hearing, no testimony
    - **AMENDED** to explicitly remove the marriage penalty.

House Children and Human Services

- [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.
    - First hearing, sponsor testimony

House Community Revitalization

- [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 the Seneca County Commissioners and a private individual, opponent testimony from WIN Waste Innovations, and interested party testimony from CCAO, the Jefferson-Belmont Regional Solid Waste Authority, the Organization of Solid Waste Districts of Ohio, the Ohio Chamber of Commerce, the Association of Ohio Health Commissioners, and four other organizations.
  - **AMENDED** to authorize counties under the MOU process to allocate funds for solid waste management planning to each new solid waste management district resulting from the withdraw; to allow a Solid Waste Management Authority to continue to operate under its existing bylaws if a county withdraws; and to restrict the assessment of the new fee during the first two years and limits the new fee to solid waste facilities in counties

House Finance

- House Bill 93 (Representatives Thomas Hall and Bride Rose Sweeney): To restore the Clean Ohio Fund to be administered by the Department of Development and the Clean Ohio Council.
  - First hearing, sponsor testimony

House General Government

- House Bill 264 (Representatives Tex Fischer and Adam Mathews): To prohibit certain government publications concerning candidates or ballot issues during the 30 days before an election.
  - First hearing, sponsor testimony
- House Bill 248 (Representative David Thomas): To make various changes regarding the Auditor of State.
  - Second hearing, proponent testimony from the Auditor of State

House Government Oversight

- 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.
  - Second hearing, no testimony.
  - AMENDED to change the requirement for law enforcement agencies to collect the data for those persons arrested, rather than in detention.

House Public Safety

- House Bill 1 (Representatives Angela King and Roy Klopfenstein): To modify the law that prohibits certain governments, businesses, and individuals from acquiring certain real property and to name this act the Ohio Property Protection Act.
  - Third hearing, opponent from State Representative Munira Abdullahi, the Chinese Association of Greater Toledo, two advocacy organizations, and 65 private individuals, and interested party testimony from the Ohio Prosecuting Attorneys Association, Ohio REALTORS, and the Global Business Alliance.

- House Bill 23 (Representatives Bill Roemer and Josh Williams): To create the escaped convict alert program.
    - Second hearing, proponent testimony from the Portage County Sheriff and two private individuals.

House Transportation

- 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.
    - First hearing, sponsor testimony
- House Bill 251 (Representative Bernard Willis): To establish requirements related to the use of an unmanned aerial vehicle by law enforcement and to expressly incorporate additional aviation facilities into the Aeronautics Law.
    - First hearing, sponsor testimony
- House Bill 199 (Representative Bernard Willis): To make changes to the laws governing all-purpose vehicles, off-highway motorcycles, snowmobiles, utility vehicles, and mini-trucks.
    - Third hearing, opponent testimony from Nationwide Insurance, the Ohio Chamber of Commerce, the Ohio Farm Bureau, the Ohio Insurance Institute, the Ohio American Property Casualty Insurance Association, Honda, and the Recreational Off-Highway Vehicle Association and interested party testimony from the Ohio Insurance Agents Association and the Ohio Township Association.

Introduction of Bills

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

- House Bill 280 (Representatives Cindy Abrams and Thomas Hall): Regarding contributions to the Ohio Police and Fire Pension Fund.
- *See article above for additional bills introduced this week.*

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, May 27

Senate Finance (9:00 a.m.)

- House Bill 96: State Operating Budget
    - Public testimony

House Finance (10:30 a.m.)

- House Bill 2 (Representative Mark Johnson): To establish the Child Care Cred Program and to make an appropriation.
    - First hearing, sponsor testimony

Wednesday, May 28

Senate Finance (9:00 a.m.)

- House Bill 96: State Operating Budget
    - Public testimony

House Local Government (9:00 a.m.)

- House Bill 124 (Representatives David Thomas and Thomas Hall): To modify the process for making property tax sales-assessment ratio studies.
    - Fourth hearing, all testimony
    - POSSIBLE AMENDMENTS
    - POSSIBLE VOTE
- House Bill 274 (Representatives David Thomas and Thomas Hall): To require townships and municipal corporations to provide firefighting services and emergency medical services and to establish the Fire and EMS Shared Services Reimbursement Grant Program
    - First hearing, sponsor testimony

House Public Safety (9:30 a.m.)

- House Bill 217 (Representatives Christine Cockley and Kevin Ritter): To enact the Finding and Identifying with NamUs Data (FIND) Act 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).
    - First hearing, sponsor testimony

House Development (9:45 a.m.)

- House Bill 147 (Representative 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.
    - First hearing, sponsor testimony
    - POSSIBLE SUBSTITUTE BILL

Senate Health (10:30 a.m.)

- 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.
    - First hearing, sponsor testimony

House Agriculture (11:30 a.m.)

- 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.
    - Second hearing, proponent testimony

Senate Local Government (2:30 p.m.)

- Senate Bill 118 (Senator George Lang): Regarding limitations on recovery and lien imposition by municipalities against property owners of non-owner-occupied properties for unpaid water, sewer, and disposal services rates and charges.
    - First hearing, sponsor testimony
- 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.
    - Fourth hearing, all testimony

Thursday, May 29

Senate Finance (9:00 a.m.)

- House Bill 96: State Operating Budget
    - Public testimony

Friday, May 30

Senate Finance (9:00 a.m.)

- House Bill 96: State Operating Budget
    - Public testimony