



STATEHOUSE REPORT

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Budget goes to conference committee

This week the Senate voted 23-10 to approve their changes to House Bill 96 (Representative Brian Stewart), the state operating budget. The Senate prioritized an income tax cut, resulting in a flat tax, as the centerpiece of its budget. To fund part of the tax cut, the Senate reduced funding for CCAO priorities such as indigent defense and children services from the House-passed version.

The Senate also removed policy language that CCAO supports, including allowing the board of commissioners to appoint the county coroner and a cost-of-living increase for county elected official salaries after 2030.

An updated summary of the Senate-passed version is available on the [CCAO Bill Tracker](#).

The House later voted not to concur with the Senate's changes to the budget, setting up a conference committee. The HB 96 Conference Committee members are:

- Senator Jerry Cirino, a former Lake County Commissioner;
- Senator Brian Chavez;
- Senator Paula Hicks-Hudson;
- Representative Brian Stewart, a former Pickaway County Commissioner;
- Representative Mike Dovilla; and
- Representative Bride Sweeney.

Below is a snapshot of where CCAO priorities stand moving into Conference Committee. A full list of CCAO's priority conference committee positions [can be found here](#).

We encourage all CCAO members to reach out to their legislators to express support for CCAO's priorities in the state budget.

CCAO Priority Issues		
Comp Doc # / ALI	Description	CCAO Position
DASCD29	Next Generation 9-1-1 access fee \$0.60 fee and modified distribution formula allocating additional revenue to counties. House version did not alter the distribution formula.	Senate version
PUBCD7 PUBCD2 ALI 019501	Indigent defense reimbursement Support \$218.4 million in FY 26 and \$223.6 million in FY 27. Senate version provides \$173.7 million in FY 26 and \$178.9 million in FY 27.	House version
PUBCD8 PUBCD2 ALI 019406	Northwest Regional Hub pilot Provides for a pilot program of direct state administration of indigent defense in Allen, Hardin, and Putnam. Funded at \$3.35 million in each year	Support – no difference
KIDCD11 ALI 830506	State Child Protection Allocation Support \$180 million in FY 26 and \$185 million in FY 27. Senate provides \$162.75 million in FY 26 and \$170.88 million in FY 27.	House version
KIDCD11 ALI 830506	Regional Child Wellness Campuses Support \$20 million in FY 26 and \$10 million in FY 27 in start up costs. Senate eliminated all funding for this purpose.	House version
KIDCD37	Request for proposals to establish rate cards Provides counties with transparency and predictability in children services placement cost rates	Support – no difference
TAXCD20 DRCCD17 ALI 501631	Jail funding Executive version appropriated \$62.4 million in FY 26 and \$92.5 million in FY 27 from marijuana excise tax revenue. Senate and House versions did not appropriate funding from this resource for jails.	Executive version
ALI 501505	Local Jail Grants Retain reappropriation of \$75 million for county jail projects that was originally appropriated in the 135th GA.	Support – no difference
DRCCD17	Local Jail Grants Formula Applies to ALI 501505	Senate version
KIDCD21	Publicly Funded Child Care Eligibility Support 160% federal poverty level (FPL) initial eligibility. House and Senate versions provide for 145% FPL.	Executive version
KIDCD17 ALI 830604 ALI 830605	Child Care Choice Voucher Program Support \$225 million funding over the biennium. House and Senate versions provide for \$200 million over the biennium.	Executive version

If you have questions about HB 96, please contact the CCAO Policy Team at policy@ccao.org.

Bill to eliminate inside millage to receive testimony next week; overview of debt implications

[House Bill 335](#) was introduced by Representative David Thomas last week. HB 335 is a comprehensive property tax reform package that seeks to provide immediate relief to Ohio property taxpayers. The bill includes other introduced pieces of legislation that expand types of levies included in the 20-mill floor ([House Bill 129](#)), limit inflationary growth of the 20-mill floor ([House Bill 186](#)), and the duties of county budget commissions ([House Bill 309](#)). The sponsor's stated goal of this legislation is to head off the proposed constitutional

amendment that would abolish property tax collection in Ohio. To that end, this bill would also eliminate the ability of all taxing authorities other than townships to collect inside millage beginning on January 1, 2026.

HB 335 is receiving its first formal hearing next Wednesday at 11:30 a.m. in the House Ways and Means Committee. The committee will be hearing invited testimony and accepting written-only testimony. If you would like to submit written testimony, you must follow these steps after writing your testimony:

- Fill out a Witness Information Form (accessible as a [Word document](#) or a [PDF](#))
- Email the Witness Information Form and your testimony to OHRWaysandMeansCommittee@ohiohouse.gov
- The email must be sent, with the testimony and witness form, to that email by 11:30 a.m. on Tuesday (24 hours before hearing).

If you need assistance in submitting testimony, please contact CCAO Research Analyst Nick Ciolli at nciolli@ccao.org.

Debt implications of inside millage elimination

The general concept of inside millage, up to 10 unvoted mills, is established in [Article XII, Section 2 of the Ohio Constitution](#) and is reaffirmed by [R.C. 5705.02](#). The constitutional language itself does not state that local governments shall have the authority to generate revenue from inside millage but rather establishes the authority for the General Assembly to allow inside millage. Medina County Commissioner Stephen Hambley wrote an overview of the history of inside millage, [which you can read here](#).

Eliminating inside millage tax receipts would cost counties approximately \$850 million in annual tax revenue, exceeding 30% of general fund receipts in some counties. The bill attempts to allow counties to make up the revenue by allowing up to an additional 1% sales tax increase approved by the voters. However, there are some counties that would not be able to offset the lost revenue from inside millage with a 1% sales tax.

Eliminating inside millage would have practical effects on the payment of bonds and a county's relationship with its bond holders. Most county general obligation debt is backed by the full faith and credit of the county. While the full faith and credit is not exclusively inside millage, in most counties it makes up a major portion of available revenue, further other sections of the Revised Code ([5705.31](#) and [.312](#)) require inside millage to back up debt service payments if other sources fall short or there is non-payment.

Elimination of inside millage would likely lead to counties receiving lower credit ratings (therefore a higher cost of debt), potential bond defaults and in some cases going into fiscal watch or emergency. Generally, eliminating inside millage would cause many contractual, statutory and Constitutional questions, insert chaos into a generally stable system, and will likely lead to substantial litigation.

Legislative Activity

Committee Hearings

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

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.
 - Third hearing, no testimony

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.
 - Third hearing, no testimony
 - **FAVORABLY REPORTED**

House Development

- [House Bill 307](#) (Representatives Dontavious Jarrells and Monica Robb Blasdel): To establish a program regarding lead service line replacement.
 - First hearing, sponsor testimony

House Local Government

- [House Bill 113](#) (Representatives Adam Bird and Johnathan Newman): To modify the law regarding annexation and financial disclosure forms, and to require school district approval of residential community reinvestment area property tax exemptions.
 - Third hearing, opponent testimony from the Ohio Municipal League, the Ohio Mayors Alliance, the Ohio Chamber of Commerce, the Ohio Business Roundtable, four municipalities, three housing associations, three housing companies, and one private individual.

House Public Safety (Tuesday)

- [House Bill 247](#) (Representative Kevin Miller): To make changes to the laws governing dogs, including dangerous and vicious dogs.
 - Third hearing, interested party testimony from Delaware County,
- [House Bill 23](#) (Representatives Bill Roemer and Josh Williams): To create the escaped convict alert program.
 - Fourth hearing, no testimony
- [House Bill 20](#) (Representatives Thomas Hall and Phil Plummer): To prohibit a person from knowingly harassing or impeding an emergency service responder who is engaged in the lawful performance of a legal duty and to clarify that heightened penalties apply for menacing a probation officer

- Third hearing, opponent testimony from ACLU Ohio and proponent testimony from the Ohio Association of Chiefs of Police and the Ohio Prosecuting Attorneys Association.

House Public Safety (Wednesday)

- [House Bill 247](#) (Representative Kevin Miller): To make changes to the laws governing dogs, including dangerous and vicious dogs.
 - Fourth hearing, proponent testimony from CCAO
- [House Bill 200](#) (Representatives Gary Click and Nick Santucci): To enact the America First Act to prohibit a person who is unlawfully present in the United States from entering or being present in Ohio, to require law enforcement agencies and detention facilities to cooperate in the enforcement of federal immigration laws, and to withhold state local government funds from a subdivision that does not abide by the act.
 - First hearing, sponsor testimony

House Ways and Means

- [House Bill 232](#) (Representatives Adam Mathews and David Thomas): To modify the law governing certain property tax complaints.
 - Fourth hearing, proponent testimony from the Ohio Taxpayer Protection Coalition and the Ohio Chamber of Commerce, opponent testimony from school groups, and interested party testimony from the Cuyahoga County Board of Revision.
 - **AMENDED** to allow government subdivisions to provide additional evidence to show a property was sold and to allow for collection actions to be referred to a law firm or collection agency if the county prosecutor has a conflict of evidence.
- [House Bill 179](#) (Representative Jason Stephens): To create a statewide screening system for certain property tax reductions and to make an appropriation.
 - Second hearing, proponent testimony from the Cuyahoga County Board of Revision.

Senate Judiciary

- [Senate Bill 102](#) (Senator Tom Patton): To make changes to the law relating to tax foreclosures and county land reutilization corporations.
 - Second hearing, proponent testimony from the Ohio Land Bank Association, the Ohio Manufactured Homes Association, and the Cuyahoga County Treasurer.

Senate Local Government

- [Senate Bill 141](#) (Senator Paula Hicks-Hudson): To authorize counties and other political subdivisions to place on the ballot tax levies supporting pre-kindergarten programs and to establish conditions on a county's use of moneys derived from the levied tax.
 - First hearing, sponsor testimony

- [Senate Bill 208](#) (Senators Andrew Brenner and Michelle Reynolds): To require any increased real estate and manufactured home conveyance fees to be allocated for county-specific housing purposes.
 - First hearing, sponsor testimony
- [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.
 - Second hearing, proponent testimony from the Ohio Real Estate Investors Association, the Ohio Manufactured Homes Association, the Ohio Apartment Association, and several private individuals.

Senate Transportation

- [Senate Bill 180](#) (Senator Terry Johnson): To prohibit the purchase of small unmanned aircraft systems manufactured or assembled by a covered foreign entity.
 - First hearing, sponsor testimony

House Transportation

- [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.
 - Second hearing, proponent testimony from the Northeast Ohio Flight Information Exchange.

Introduction of Bills

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

- [House Bill 338](#) (Representatives Mark Johnson and Phil Plummer): To increase the penalty for assaulting or causing the death of specified victims at state or local correctional institutions and to make changes to department of rehabilitation and correction policies and procedures.
- [House Bill 344](#) (Representatives Michael Dovilla and Gayle Manning): To expand the locations and manner in which electronic instant bingo may be conducted, to authorize and establish regulations for retailer video lottery terminals, and to levy a tax on electronic instant bingo.
- [House Bill 346](#) (Representatives Matthew Kishman and Josh Williams): To require mandatory reporters of child abuse or neglect to report to both a peace officer and the public children services agency.
- [House Bill 355](#) (Representatives Angela King and David Thomas): To increase the approval threshold required for passage of local taxes subject to voter approval.
- [Senate Bill 215](#) (Senator Bill Blessing, III): To modify the calculation and eligibility criteria of the homestead exemption.
- [Senate Bill 219](#) (Senator Al Landis): To make changes to the law governing oil and gas wells.

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, June 17

Conference Committee on House Bill 96 (9:30 a.m.)

- [House Bill 96](#): State Operating Budget
 - Office of Budget and Management (OBM) and the Legislative Service Commission (LSC) on their estimated Medicaid caseload projections

[House Public Safety](#) (9:30 a.m.)

- [House Bill 20](#) (Representatives Thomas Hall and Phil Plummer): To prohibit a person from knowingly harassing or impeding an emergency service responder who is engaged in the lawful performance of a legal duty and to clarify that heightened penalties apply for menacing a probation officer.
 - Fourth hearing, all testimony
 - **POSSIBLE VOTE**
- [House Bill 247](#) (Representative Kevin Miller): To make changes to the law governing dogs, including dangerous and vicious dogs.
 - Fourth hearing, all testimony
 - **POSSIBLE SUBSTITUTE BILL**
 - **POSSIBLE VOTE**

[House Technology and Innovation](#) (10:00 a.m.)

- [House Bill 283](#) (Representatives Adam Mathews and Haraz Ghanbari): To require political subdivisions to adopt a cybersecurity program.
 - Second hearing, proponent testimony