



STATEHOUSE REPORT

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

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General Assembly passes budget, bill awaits vetoes and signature from Governor

Before we delve into the various provisions of the operating budget, the CCAO policy team would like to take some time to recognize the efforts of everyone who helped contribute to our success. First and foremost, we would like to thank you as members of CCAO. We always say that you are the best advocates for the organization and that rang true throughout the budget. It was common for the policy team to speak with a legislator, and they would mention that they already heard from their commissioner, council member, or county executive about our budget priorities. The personal relationships and local impact stories that you were able to leverage directly contributed to strengthening counties in the budget. We would like to sincerely thank everyone for their budget advocacy efforts.

Secondly, it is important to recognize the various legislators that championed our priorities and supported us throughout the process. We are fortunate to have numerous former commissioners serve in the legislature, and their experience as a commissioner helped them advocate for our priorities within the caucus. House Finance Committee Chairman Brian Stewart was a strong advocate for our priorities and fought until the very end to ensure that counties were supported in the budget. House Majority Whip Marilyn John has been a strong advocate for counties and helped educate her colleagues about the importance of the role of county government. Senate Finance Chairman Jerry Cirino also helped advocate and protect some of our priorities in the Senate. Representative Kevin Ritter, a former Washington County Commissioner, was a leader in supporting indigent defense funding during the house deliberations on the budget.

Furthermore, Representative Ritter and Senator Brian Chavez, were vital in the effort to increase the 9-1-1 user fee. Representative Andrea White is a true champion for children, and her advocacy was critical for children services funding. Finally, Senator Nathan Manning was a champion of indigent defense funding and helped protect the pilot program in the budget.

This budget was very challenging, and we worked very hard to overcome headwinds that opposed our efforts. There were many other legislators that supported our efforts along the way and please take the time to thank your legislators for their support. We look forward to continuing our efforts to strengthen counties in the summer and in the fall when the legislature returns to Columbus. Now, let's talk about the budget.

Early Wednesday morning, the Conference Committee on House Bill 96 adopted report and later that day the House and Senate both voted to pass the bill by votes of 59-38 and 23-10, respectively. The bill now heads to Governor Mike DeWine for consideration of possible vetoes and signature.

The bill is expected to arrive at Governor DeWine's desk today at the earliest. Once he receives the bill, the Ohio Constitution gives him until June 30 to make line-item vetoes and sign the bill into law.

The Governor and his staff will review the "as enrolled" version or the final version of the bill and create boxes of text that will constitute his veto. He will then issue a statement as to why each specific provision was vetoed. The vetoes can be overridden by a 3/5 vote of each chamber of the General Assembly.

This article summarizes how CCAO's priorities for the budget, as well as notable other local government provisions, fared. The priority areas were children services, indigent defense, Next Generation 9-1-1, child care access, and county jails. Also discussed are provisions related to county official pay and property taxation.

The second article of this issue goes over other budget provisions with county implications.

Summary of CCAO Priorities in the Budget

- Increases funding for the State Child Protection Allocation (SCPA) by \$25 million in SFY 2026 and \$30 million in SFY 2027.
- Provides \$10 million in each fiscal year to assist communities in starting regional child wellness campuses.
- Establishes a process for the Department of Children and Youth to increase cost transparency and predictability for placement costs, but exempts foster and kinship providers from the requirements.
- Maintains executive budget levels of funding for indigent defense reimbursement, which is expected to result in an approximate 80% reimbursement throughout the biennium.
- Maintained language and funding for a state administered indigent defense pilot.
- Increased the Next Generation 9-1-1 (NG 9-1-1) monthly user fee from \$0.40 to \$0.60. The distribution formula is modified to increase the percentage of fee revenue to counties while correspondingly decreasing funding to the state. The state

allocation still adequately funds the state NG 9-1-1 system.

- Maintained eligibility for publicly funded child care at 145% of the federal poverty level (FPL).
- Funds the Child Care Choice Voucher program at \$100 million in each fiscal year. The program provides publicly funded child care to families up to 200% FPL.
- Maintained the removal of funding for jail construction projects from the executive budget proposal.
- Include the requirement that the Ohio Department of Medicaid 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

Funds the State Child Protection Allocation (SCPA) at \$180 million in SFY 2026 and \$185 million in SFY 2027, an increase of \$25 million and \$30 million respectively. These funds go directly to county public children services agencies for placement costs of children in foster care.

Provides \$10 million in each fiscal year for regional child wellness campuses that would provide short-term crisis stabilization placements.

Authorizes the Department of Children and Youth 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. Foster and kinship caregivers are exempt from the process.

Indigent Defense

Retains statutory authorization and funding for the Northwest Regional Hub.

Removes caps that would have limited reimbursement to counties for appointed counsel at \$75 an hour for non-death penalty cases and \$140 an hour for death penalty cases.

Appropriates \$197 million in SFY 2026 and \$202 million in SFY 2027 for county reimbursement. The Office of the Ohio Public Defender (OPD) provided the table below with estimated reimbursement rates for the biennium.

Indigent Defense Reimbursement Estimates, HB 96 Appropriations			
System Cost Scenario	SFY 2026 (\$197 million)	System Cost Scenario	SFY 2027 (\$202 million)
\$234 million (\$18.5m/month)	84%	\$247 million (\$19.5m/month)	82%
\$240 million	82%	\$253 million	80%

(\$19m/month)		(\$20m/month)	
\$246 million (\$19.5m/month)	80%	\$259 million (\$20.5m/month)	78%

Next Generation 9-1-1

Repeals a current 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.

Increases the user fee level to \$0.60 per month.

Modifies the revenue distribution formula to continue to fully fund NG 9-1-1 at the state level, while simultaneously providing local governments with a larger percentage of revenue from the fee. The table below is a comparison between the current revenue distribution formula and the House Bill 96 formula.

Distribution of NG 9-1-1 Fee Revenue, Current Law and HB 96		
Entity	Current Law	HB 96
Counties	72%	81.33%
State NG 9-1-1 Program	25%	16.67%
State 9-1-1 Office	2%	1.33%
Department of Taxation	1%	0.67%

Child Care

Preserves initial eligibility for publicly funded child care at 145% of the federal poverty level (FPL), which is current law.

Funds the Child Care Choice Voucher program at \$100 million in each fiscal year. The program provides publicly funded child care to families up to 200% FPL.

Funds the new Child Care Cred Program at \$10 million in SFY 2026 which would allow the cost of child care to be split between the employee, employer, and Department of Children and Youth. The cost split is 40% by the employee, 40% by the employer, and 20% by the Department of Children and Youth.

Funds the new Child Care Provider Recruitment and Mentorship Grant Program at \$1 million in SFY 2026 and \$1.85 million in SFY 2027 to help increase the number of licensed child care providers in Ohio and to assist recruited entities and individuals.

County Jails

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 inmates incarcerated in the county jail. If approved at the federal level, the waiver would offset some of the county's costs associated with providing medical treatment in the jail.

Reappropriates the \$75 million jail construction grants contained in House Bill 33 of the 135th General Assembly and replaces the formula used to determine project awardees to

language that mirrors the capital budget process for county jail grants. The new language provides the Department of Rehabilitation and Correction with flexibility in distributing these dollars to counties and determining an appropriate county match for a jail project.

County Official Pay

Includes a pay raise for members of the judiciary, county elected officials, township elected officials, and members of county boards of elections of 5% for 2026 through 2029. A cost-of-living adjustment starting in 2030 that was proposed earlier in the budget process was not included in the final language.

CCAO is preparing pay tables and will make them available upon completion.

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 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.

The bill also retains language that alters 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 contracting board of county commissioners.

Property Taxation

The Conference Committee included several property tax reform provisions that, with some exceptions, had not been in prior iterations of the budget.

The most important thing to know about property tax provisions in the budget is that HB 96 **does not eliminate inside millage**. It had been a concern that the elimination of inside millage would end up in the budget after the introduction of House Bill 335 earlier in June, but that ultimately did not end up occurring.

HB 96 makes the following changes regarding property taxes:

- Eliminates the authority to levy replacement property taxes after January 1, 2026. Existing replacement levies would not be repealed, but upon their expiration they

would have to be put on the ballot either as renewal or a renewal with an increase.

- Requires ballot language to refer to property tax value as “the market value” instead of the current “the county auditor’s appraised value.”
- Eliminates the ability for school districts to levy the following property tax types:
 - Fixed-sum emergency levies.
 - Substitute emergency levies.
 - Combined income and fixed sum property tax levies.
 - Any new levy if the district carry-over balance is above 100%.
 - Renewals of existing levies are still permitted.
- Adds emergency, substitute, incremental growth, and conversion levies, as well as the property tax portion of a combined income and property tax levies to a school district’s 20-mill floor calculation.
- Creates a statewide screening system administered by the Department of Taxation to ensure proper compliance with eligibility requirements for the 2.5% owner-occupancy credit and the homestead exemption.
- Permits boards of county commissioners to create a county homestead property tax exemption and an owner-occupied exemption that mirror the current state programs.
 - The county does not receive reimbursement for foregone revenue from these permissive programs, nor is the county obligated to reimburse other local governments that may lose tax revenue from the programs.

The Senate also makes changes to county budget commissions (CBCs). There is no change in membership, although a county commissioner (as selected by the board of county commissioners) is made the designated alternate if the county prosecutor recuses themselves.

The language also includes the following changes to the budget commission’s authority:

- - Requires the CBC to reduce millage on school district property taxes if the school district has a carryover percentage of 40% or greater.
 - Establishes a tiered millage reduction amount by the size of the district’s carryover in dollar terms.
 - Allows the CBC to reduce millage on any voter-approved tax levy other than debt levies.
 - If the property tax is levied by an entity with members who are elected to local offices, the CBC cannot reduce a levy to a point where it collects less revenue

than the prior year unless certain conditions are met.

- Requires CBC to offer at least one public meeting each year that describes the concept and function of inside millage.
- Requires political subdivisions to disclose all funds in their control including those not already required for inclusion in annual tax budgets.

Budget makes other changes that will impact county operations

In addition to CCAO's priorities, the budget makes a wide array of other changes that will impact counties. These other budget items are presented first by general county provisions, then by statewide elected offices, followed by state agency/department or by subject area, and are presented in alphabetical order.

If you have any questions about provisions listed below, please contact policy@ccao.org.

County Provisions

County Coroner Remains Elected

The county coroner will remain an elected position.

Commissioner Oversight of Bonuses

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.

County Elected Officials in Office

Requires that all county officers appear in their 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.

Sheriff Certificate of Transition

Requires county sheriffs to provide their successor with a certificate of transition that includes an inventory of items and certain other information.

Political Subdivision Communications

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).

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. This change would allow an additional 20 counties to provide these services.

Attorney General

Law Enforcement Training

Contains an appropriation of \$30 million in SFY 2026 and \$35 million in SFY 2027 for law enforcement training through the General Revenue Fund.

Ohio Courts Network

Appropriates \$4,505,000 in each fiscal year to fund an initiative by the Attorney General to facilitate the exchange of information and warehousing of data by and between courts and other justice system partners through the maintenance of an Ohio Courts Network. Courts and appointed clerks of the courts of common pleas in counties with populations of 125,000 or fewer according to the most recent federal decennial census are eligible for grant funding under the initiative.

Public Records Law Changes

The bill contains new 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. A specific investigatory work product is not a public record until the criminal or civil proceeding has ended without the possibility of direct appeal or a decision by the agency, office, or official responsible not to proceed with the matter and excludes routine incident reports.
- Exempts trial preparation records, which include any record that is not a confidential law enforcement investigatory record or attorney work product record, until after the conclusion of all direct appeals or, if no appeal is filed, at the expiration of the time during which an appeal may be filed.
- Exempts images and data captured by an automated license plate recognition system that are maintained in a law enforcement database from the public record's law.
- Makes a definitional change of "record" under the Public Records Law so that it does not include personal notes or any document, device, or item, regardless of physical form or whether an assistive device or application was used, of a public official, or of the official's attorney, employee, or agent, that is used, maintained, and accessed solely by the individual who creates it or causes its creation.

Auditor of State

Indigent Defense Audit

Allocates \$500,000 for the Auditor to conduct a performance audit of the indigent defense system. The bill requires the Auditor to submit the report to the leadership of both caucuses of both chambers of the General Assembly by January 1, 2027.

Cybersecurity Programs

Requires the legislative authority of political subdivisions to adopt a cybersecurity program that meets certain requirements and prohibits political subdivisions from paying a ransom or complying with ransom demands after a ransomware attack until the legislative authority holds a public hearing in which it formally approves the payment or compliance.

Auditor of State Duties

The Senate included several changes to the scope of duties of the Auditor of State. Provisions that relate to counties include the following:

- Makes books and records that are maintained by public officials and contracted out for electronic data processing or computer services subject to audit.
- Requires annual financial reports filed by public offices to include budgetary comparison information.
- Requires county auditors to retain documentation of required completed continuing education courses and requires the Auditor of State to audit these for compliance.
- Removes the Auditor of State from involvement in the process for counties to have sectional indexes made.
- Removes the requirement that the Auditor of State consult with the Department of Taxation when a political subdivision requests approval to create a new fund.

Secretary of State

Abolishment of the Ohio Elections Commission and Creation of the Elections Integrity Commission

The Ohio Elections Commission is abolished under the bill as of January 1, 2026. In its place, the Elections Integrity Commission is created in the Secretary of State's office. The new commission will be composed of five members appointed by the leaders of the General Assembly and the Secretary of State. It would have the same jurisdiction as the Elections Commission but will also have jurisdiction over certain voting- and petition-related offenses.

The commission can dispose of elections complaints and impose an administrative fine for a campaign finance violation up to the maximum applicable criminal fine amount, or up to \$1,000 for a petition, voter registration, or absent voting violation.

Treasurer of State

County Recorder Modernization

Temporarily extends funding for county recorder modernization assistance by transferring funds from the Torrens Law Assurance Fund to a fund for this purpose. The increased funding for recorder modernization totals about \$1.75 million. These funds are one-time funds to assist county recorders in complying with digitization requirements.

Investment Policies

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

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

Funds Senior Community Services line at \$11.25 million in SFY 2026 and \$11.29 million in SFY 2027, an increase from \$10.9 million in the current fiscal year. 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.

Department of Agriculture

Soil and Water Conservation Districts

Increases in funding for state-to-local match in soil and water conservation districts by 17% over the biennium and allocates \$10.5 million in SFY 2026 and SFY 2027 to the Soil and Water Conservation District’s Special Fund.

County and Independent Fair Support

Earmarks \$380,000 in each fiscal year to reimburse county and independent agricultural societies for expenses related to Junior Fair activities and \$250,000 each fiscal year to support Future Farmers of America, urban agriculture, and agriculture literacy programs around the state.

Mercer County received an earmark of \$500,000 in FY 2026 to support the construction of the Mercer County Fairgrounds Grand Events Center.

H2Ohio Funding

Appropriates \$53.6 million each fiscal year for H2Ohio.

County Deputy Apiarists

The bill implements a \$50 fee on the certification of a nuc (colony) and eliminates a \$5 registration fee for registering an apiary. The bill intended to allow boards of county commissioners to hire more than one deputy apiarist, but a drafting error will prevent that authority from being enacted into law. CCAO has brought this issue to the attention of the General Assembly, and they plan to address it in a coming budget clean-up bill.

Department of Behavioral Health

Name Change

Changes the name of the Department of Mental Health and Addiction Services to the Department of Behavioral Health. The new name is used throughout this section.

Funding for ADAMH Boards

Changes the funding stream for ADAMH boards to six block grants rather than several program specific funding streams. The six block grants are Prevention, Crisis Services, Mental Health, Substance Use Disorder, Recovery Supports, and Criminal Justice Services. The Director of Behavioral Health will adopt guidelines on the eligible uses of these block grants and create a uniform reporting structure related to the expenditures and outcomes of the block grants.

The funding levels for the grants are as follows:

- Prevention State Block Grant: \$3 million per fiscal year.
- Crisis Services State Block Grant: Funded through the Crisis Services and Stabilization line item, which is funded at \$17 million in SFY 2026 and \$22 million in SFY 2027.
- Mental Health State Block Grant: \$69.5 million per fiscal year.
- Substance Use Disorder State Block Grant: \$9.5 million per fiscal year.
- Recovery Supports State Block Grant: \$19.5 million per fiscal year.
- Criminal Justice Services State Block Grant: \$5.1 million in SFY 2026 and \$5 million in SFY 2027.

Behavioral Health Drug Reimbursement Program

Funded at \$6.5 million per fiscal year.

988 Suicide and Crisis Response

Funds the 9-8-8 line at \$25.5 million in SFY 2026 and \$23 million in SFY 2027 from the General Revenue Fund while removing a dedicated purpose fund that also would have funded 9-8-8.

Office of Budget and Management

Medicaid Trigger Savings

The bill 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.

State Grant Reporting System

Requires OBM to create a centralized reporting system for state grant recipients to provide financial status reports. This may reduce the administrative burden on county entities that receive grants to comply with reporting requirements.

Public Library Fund

The bill changes the Public Library Fund from a portion of the GRF tax revenue to a direct GRF appropriation.

Department of Children and Youth

Additional Child Welfare Investments

The following investments are flat funded in HB 96: multi-system youth funding, Kinship Permanency Incentive Program, Kinship Care Navigator Program, and family and children first councils.

Permissive Family and Children First Councils

Allows a board of county commissioners to decline to establish or maintain a county family and children first council if certain conditions exist in the county.

Best Practices Funding

Decreases the earmark for children services best practices incentives from \$10 million to \$7.5 million.

Benefits for Children in Custody

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. The administration estimates this policy change will result in PCSAs losing \$17 million per fiscal year.

Multi-System Youth Collaboration

Requires the departments of Job and Family Services, Children and Youth, Behavioral Health, Youth Services, Medicaid, and Developmental Disabilities to collaborate to identify and take appropriate action to meet the needs of multi-system youth. The agencies are required to jointly submit a report to the General Assembly with data and policy recommendations.

Department of Development

Brownfield Remediation Program

The Brownfield Remediation Grant Program is funded by \$100 million each fiscal year. The funding comes from a transfer of funds from the All-Ohio Future Fund. The bill removes the requirement that funds awarded outside of the county set-asides be awarded on a first-come, first-served basis. Instead, the Department of Development will evaluate the economic merit of proposals on an individual basis.

Demolition and Site Revitalization Program

The Demolition and Site Revitalization Grant Program is funded with \$21.5 million in each fiscal year. The Brownfield Remediation Program awards will be evaluated and awarded based on the individual merits of the application and not on a first-come, first-served basis.

Welcome Home Ohio

The budget expands the Welcome Home Ohio (WHO) program by increasing the income eligibility thresholds, increasing the allowable usage of WHO funds, broadening the eligible properties, and provides funding in SFY 2026 as well as SFY 2027. Funding can be used to help land banks to purchase residential property at foreclosure sales. Grant funds will also be used to rehabilitate or construct residential property for income-restricted owners.

Residential Development Grant Program and Revolving Loan Program

The Residential Economic Development Grant Program (REDD), funded at \$10 million in SFY 2026 and \$15 million in SFY 2027, will provide grants to counties, townships, and municipalities that adopt pro-housing development policies and approve major workforce housing projects. A REDD zone is defined as a project that creates 700 or more permanent jobs, or a project where \$700 million in private investment is committed to establish, expand, renovate, or occupy a facility as part of a single project at a designated project site.

A similar program is the Residential Development Revolving Loan Program, which makes loans available to fund infrastructure improvements necessary to support new single-family residential dwellings in rural areas of the state. Funds may only be used for the development, repair, or upgrade of water, sewer, road, electric, or gas infrastructure.

The grants are open to local government entities in counties with a population of less than 75,000 (there are 55 such counties) and that issued fewer new construction permits than the average county. The program will encourage high density housing in small and medium-sized counties by implementing a density threshold. For local governments to be eligible for funding, the area must have a net density of four single-family homes per acre.

Broadband

The bill exempts broadband internet access service from PUCO regulation but does not restrict the authority of a political subdivision to manage access to and use of any public way or public rights-of-way.

There are three notable appropriations regarding broadband:

- A one-time federal award of \$793 million in federal funding for the Broadband Equity, Access, and Deployment Program.
- An appropriation of \$31 million in SFY 2026 for grants to facilitate projects to replace broadband poles and broadband undergrounding projects.
- An earmark of \$10.4 million in SFY 2026 and \$9.6 million in SFY 2027 for the US Route 30 OARnet Broadband Expansion Project to expand middle-mile broadband infrastructure along Route 30.

Ohio Housing Trust Fund Fees

A proposed change to the Low- and Moderate-Income Housing Trust Fund fees allocation that would have kept the funds entirely at the local level for counties to use was not included in the final bill. These funds will remain with the Ohio Housing Trust Fund.

Workforce Reentry Pilot Program

Provides \$1.5 million in each fiscal year for a workforce reentry pilot program in Meigs, Athens, Morgan, Noble, Monroe, and Washington counties.

Individual Energy Assistance Programs

Transfers the administration and operation of four energy assistance programs from the Department of Development to the Department of Job and Family Services. The transition will occur in SFY 2027.

Priority Project Earmarks

The Senate makes earmarks for the following projects from the Priority Projects fund that may be of note to counties:

- \$350,000 in each fiscal year for the Fairfield County Workforce Center.
- \$250,000 in each fiscal year for a project to expand U.S. Route 30 in Carroll, Columbiana, and Stark counties (Note: this is not the broadband middle mile project discussed above).

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.

Environmental Protection Agency

H2Ohio Funds

The agency will receive \$7.5 million each fiscal year over the biennium for H2Ohio, a roughly 73% decrease from the current biennium.

Tire Fees and Soil and Water Conservation Districts

Sunsets two tire fees on June 30, 2028: a \$0.50 per tire fee that is deposited into the Scrap Tire Management Fund and a \$0.50 per tire fee deposited into the Soil and Water Conservation District Assistance Fund.

Department of Job and Family Services

SNAP Income Maintenance (IM) Control

Increased the 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

Reduces Medicaid administrative dollars to counties to \$44 million per fiscal year from \$49 million in the current fiscal year. Permits the department to use up to \$5 million for performance incentives.

Adult Protective Services

Flat-funded at \$9.2 million per year. The county base allocation will remain at \$80,000 per county. 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.

Child Support Enforcement

Flat-funds child support enforcement agencies at \$26.4 million per fiscal year.

Public Assistance Benefits Systems

Requires ODJFS to update the systems used to determine eligibility for public assistance benefits and ensure the system has a mechanism to allow information input by individual caseworkers to be tracked and audited. The language requires county JFS agencies to provide caseworker training about improper determinations.

SNAP Work Requirement Waivers and Exemptions

Prohibits the Department from seeking, applying for, or renewing a waiver from the work requirements that apply to able-bodied adults without dependents (ABAWDs) receiving SNAP benefits. Prohibits the Department from implementing a federal option under which it may grant exemptions from the SNAP work requirements that apply to ABAWDs unless refusing to do so would result in a federal penalty or be out of compliance with federal rules.

Prohibits the Department from delegating the authority to waive work requirements or grant exemptions to county JFS departments.

If a federal option is implemented, the Department must notify the legislature.

Department of Health

Children and Youth with Special Health Care Needs

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

The county assessments line item for this program is \$24.1 million per fiscal year.

Lead Abatement Funding

Decreases funding for the lead abatement programs to \$250,000 in each fiscal year. The funding level in the current fiscal year is \$7 million.

Zeroes out funding for the Lead-Safe Home Fund Program.

Harm Reduction Funding

Eliminates earmarks for harm reduction funding in the Chronic Disease, Injury Prevention and Drug Overdose line item that is often used by communities to fund naloxone. \$1.5 million of the \$2.2 million appropriated is earmarked for non-harm reduction purposes.

Judiciary

Clerk of Courts Requirements

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. This process must be completed within 18 months of the bill's effective date.

Computerization Fund Fees

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 Clerk of Courts Title Fee Increase

Increases the certificate of title fee by \$3 (from \$15 to \$18). The new \$3 increase will be allocated to the State Highway Patrol. The language further allows a board of county commissioners to adopt a resolution authorizing an additional \$5 increase and allocates the \$5 increase to the clerk of a court of common pleas who processes the certificate of title. If the resolution is adopted, the new title fee will be \$23 in the county.

Department of Medicaid

Multi-System Youth Custody Relinquishment Funding

Funds the multi-system youth custody relinquishment program at \$20 million per fiscal year. This funding is used to prevent custody relinquishment and to obtain services that meet the state's multi-system youth action plan.

Medicaid Group VIII Eligibility Redeterminations

Requires eligibility redeterminations for Group VIII enrollees every six months, as opposed to the current practice annual redeterminations. This will result in increased administrative work for county JFS staff.

Medicaid Expansion

Requires the Department to immediately discontinue medical assistance for the Medicaid expansion population if the Federal Medical Assistance Percentage (FMAP) for that group is set below 90% and to 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

Includes language allowing ODM to transfer money to counties via ODJFS to implement a work requirement if one is established. Counties would submit allowable expenses, and ODM would make rules around these dollars. ODM submitted a waiver to the Centers for Medicaid and Medicare Services for a work requirement for the expansion population in February 2025.

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

Requires that the Department seek a 1115 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.

Medicaid Enrollment for Children

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.

Change in Circumstances Eligibility Verification

Requires the Department to issue one or more requests for information relating to Medicaid eligibility data and operations, to identify and assess systems and solutions that may be able to improve or augment the management, efficiency, frequency, and accuracy of Medicaid eligibility determinations and processing; and to consider augmenting existing vendor arrangements relating to processing and managing Medicaid eligibility Cases. The Department will issue a report to the legislature regarding the information.

Department of Natural Resources

H2Ohio Purposes

Prohibits the use of H2Ohio funds to purchase land or to place land in a conservation easement. This prohibition will effectively end the Wetland Land Grant Program.

The Department will receive \$21.2 million each fiscal year for H2Ohio, a roughly 54% decrease from the current biennium.

Department of Taxation

Local Government Fund

Increases the LGF share to 1.75% of GRF tax revenue from the current level of 1.70%. Changes to other tax provisions that contribute to the Local Government Fund (namely, income tax changes and sales tax changes) make it difficult to provide an estimate of the effect that the share increase will have.

Sales Tax, General

Eliminates a number of existing sales tax exemptions, including removing the authority for the Ohio Tax Credit Authority to award sales and use exemptions to computer data centers for sales of certain tangible personal property. LSC estimates that the elimination of these exemptions will increase state revenue by \$330 million over the biennium.

The Senate also included a prohibition on port authorities offering non-public entities sales tax exemptions without the approval of the board of county commissioners (or, where applicable, the boards of commissioners if the port authority is in multiple counties) if the project is outside of the port authority's territorial jurisdiction.

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 Sin Taxes

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

The budget allows Cuyahoga County to expand its liquor, alcohol, and cigarette taxes, and levy a new tax on vapor and other tobacco products, to finance sports facilities. Increased rates and expansion to include vapor and other tobacco products must be approved by county voters. Usage of revenue from the tax must be shared equally between major league sports facilities in the county.

- **CCAO has requested that Governor DeWine veto the requirement that revenue be shared equally between facilities in the county.**

Lodging Taxes

Bill contains four provisions pertaining to the lodging tax:

- Allows boards of county commissioners to increase the rate of its general lodging tax by up to 1%, provided the total rate does not exceed 5%, for use of funding safety services in resort areas.
 - According to data from the Department of Taxation, there are currently 58 counties that levy a lodging tax at a rate less than 5%. This authority is only available to counties that have a lodging tax.

- Allows convention and visitors bureau in counties with a population of less than 100,000 residents and that annually collect at least \$500,000 in lodging tax revenue to use revenue from its lodging taxes for safety services or for economic development or infrastructure projects that impact tourism.
 - According to data from the Department of Taxation, this would apply to 11 counties.
- Requires Ashtabula County to repeal its 2% special lodging tax that it uses to support ongoing costs of its resorts.
 - **CCAO has requested that Governor DeWine veto this provision.**
- Allows Fairfield County to renew a lodging tax that the county currently does not have the authority to renew.

Income Tax

Phases down the state income tax to a flat rate of 2.75% over the biennium. The inflation indexing of the brackets and personal exemption are suspended as the phase down is conducted. LSC estimates that the total revenue loss for the state will be about \$1.68 billion over the biennium.

Property Tax Exemption

Makes the land upon which government-owned parking garages exempt from property taxation. The garages themselves are already exempt.

Property Tax Authority

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 where 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 the county so taxed.

Adult Use Marijuana Excise Tax

The revenue distribution formula is changed by eliminating all distributions other than 36% to host communities (townships and municipalities with adult-use dispensaries). The remaining 64% of revenue is credited to the GRF.

Community Reinvestment Areas

Allows local governments to amend an existing CRA agreement to extend the term to a total of 30 years for an existing building that is expected to be the site of a megaproject or a megaproject supplier.

Department of Transportation

Airport Improvement Program and Airport Grants

Creates the Ohio Airport Improvement Program to finance airport improvements for publicly owned, public-use airports. The program is funded by \$4.65 million each fiscal year through an earmark in the Airport Improvements – State.

Earmarks \$5 million from the same appropriation item for matching funds for airports that received federal funding through the Infrastructure Investment and Jobs Act.

Drones For First Responders Pilot Program

Earmarks \$2.5 million for a pilot program to assist municipalities with acquiring unmanned aerial systems for first responders. Counties are not included as eligible applicants.

Other Local Government Provisions

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

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.

Megaproject Zoning

The bill exempts township zoning amendments related to megaprojects from the zoning referendum process.

Village Dissolution Provisions

The bill makes two revisions to statutes governing village dissolution. The provision of electric services is added to the list of services that a village must provide at least five to avoid an automatic ballot question on dissolution after each census. Additionally, the population threshold for the “small village” dissolution process is increased from 150 to 500 and an acreage maximum is eliminated.

Eminent Domain

Removes the creation of recreational trails from the allowable public uses for the purposes of eminent domain, unless the entity using eminent domain for that purpose is a regional transit authority for purposes of a right-of-way or for the creation of a sidewalk.

- **CCAO joined the County Engineers Association, the Mayors Alliance, several Transportation Improvement Districts, and other organizations in requesting Governor DeWine veto this provision.**

Local Option Election Costs

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.

Public Library Board of Trustees

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).

Port Authority Common Bond Fund

Port authorities gain the ability to establish a common bond fund to finance their facilities and enhance the credit of the authority.

Conservancy District Assessments

Eliminates the \$2 minimum annual assessment levied by conservancy districts used for maintenance within the district.