OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 96
136th General Assembly

Bill Analysis

Click here for H.B. 96's Fiscal Note

Version: As Passed by the House

Primary Sponsor: Rep. Stewart

Amanda Goodman, Erika Kramer, and other LSC staff

SUMMARY

This analysis is arranged by state agency in alphabetical order. Items that do not directly involve an agency are located under the agency that has regulatory authority over the item, or otherwise deals with the subject matter of the item. There are chapters addressing changes to public record and open meeting topics, boards and commissions, low-income utility assistance and block grants, local government, and miscellaneous items at the end. The analysis concludes with a note on effective dates, expiration, and other administrative matters.

Within each agency and category, a summary of the items appears first (in the form of dot points) followed by a more detailed discussion.

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ACCOUNTANCY BOARD

- Modifies the percentage of owners who must hold an Ohio permit or foreign certificate for a public accounting firm to register in Ohio.
- Changes references to ownership interests in a public accounting firm from "equity interest" to "equity interest or shares."

Public accounting firm ownership interests and registration

(R.C. 4701.01, 4701.04, and 4701.16)

The bill requires a public accounting firm, as a condition to register and practice public accounting in Ohio, to have more than 50% of the firm's total equity interest or shares owned by individuals who hold a permit to practice public accounting issued under Ohio law (referred to as an "Ohio permit") or a license, permit, certificate, or registration issued under laws of another state authorizing the holder to practice public accounting in that state (referred to as a "foreign certificate").

Currently, as a condition of registration, every owner of an equity interest in an Ohio public accounting firm must hold an Ohio permit or a foreign certificate or satisfy specific requirements, including meeting continuing education and ethics standards established in rules adopted by the Accountancy Board. The bill maintains the requirements for any owner of an equity interest or shares in a firm who does not have an Ohio permit or foreign certificate.

Under the bill, if a public accounting firm has a board of directors, more than 50% of the directors must hold an Ohio permit or a foreign certificate. Additionally, if the firm has an employee stock ownership plan (ESOP), more than 50% of the plan's trustees must hold an Ohio permit or a foreign certificate. Current law does not have specific requirements for a firm's board of directors or trustees of an ESOP.

Continuing law requires a public accounting firm to satisfy all the following additional requirements to register:

- The firm must designate, and identify to the Board, an Ohio permit holder who will be responsible for registration;
- Every person in the firm who signs any attest report issued from a firm office located in Ohio must hold an Ohio permit;
- An individual who owns an interest in the firm or is employed by the firm and who holds an Ohio permit or a foreign certificate, or a qualified firm that owns an interest in the firm, must assume ultimate responsibility for any attest report issued from an Ohio office of the firm;
- The firm must provide for the transfer of an interest owned by persons who do not hold an Ohio permit or a foreign certificate to either the firm or to another person who owns

an interest in the firm if a person who does not hold an Ohio permit or a foreign certificate withdraws from or ceases to be employed by the firm.

The bill also changes references to "equity interest" in the Accountancy Law to "equity interest or shares." It is unclear whether the change makes a substantive difference because the law defines "equity interest" as "any capital interest or profit interest," which appears to include shares in a corporation.[1]

[1] See Internal Revenue Service, Capital gains and losses, which is available by conducting a keyword "topic no. 409" search on the Internal Revenue Service website: irs.gov.

DEPARTMENT OF ADMINISTRATIVE SERVICES

Exempt employee salary schedules

- Increases pay for exempt state employee paid in accordance with Schedule E-1 by approximately 4.5% in FY 2026 and 3% in FY 2027, raises the maximums in the pay ranges of Schedule E-2 by similar amounts.
- Codifies modifications to exempt state employee pay scales made by the DAS Director pursuant to H.B. 2 of the 135th General Assembly.
- Repeals a prohibition against an exempt employee other than a captain or equivalent officer in the State Highway Patrol from being placed in step value 7 in range 17 of statutory pay schedule E-1.

State employee work location

- Requires each state agency, not later than October 15, 2025, to develop a plan for its state employees to report to the agency's worksite or another location designated by the agency during the time the employees are performing their duties for the agency.
- Beginning January 1, 2026, requires each state agency to require its state employees to report to the agency's worksite or another location in accordance with that plan.
- Beginning January 1, 2026, prohibits any state employee from working from the employee's place of residence unless an exception applies.
- Allows a state agency to adopt a policy allowing a supervisor to approve a state employee to work from the employee's residence or other off-site location under certain circumstances.
- Makes state employee work location not an appropriate subject of collective bargaining for future collective bargaining agreements, and has the bill's provisions regarding state employee work location prevail over a conflicting provision in a future collective bargaining agreement.
- Requires each state employee to attest on the employee's timesheet that the employee has complied with the agency's plan described above or an exception applies.
- Requires each state agency to submit an annual implementation report to the DAS Director that describes the agency's compliance with the agency's plan.
- Requires, the DAS Director, annually on March 1, to submit a written report that compiles the information the Director receives from state agencies above.

DAS personnel

- Eliminates the DAS Director's authority to designate individuals in or out of the service of the state to serve as examiners or assistants under the Director's direction, while retaining the Director's authority to appoint examiners, inspectors, clerks, and other assistants as necessary to carry out the law.

- Eliminates a requirement that the DAS Director, examiners, inspectors, clerks, and assistants must receive reimbursement for necessary traveling and other expenses incurred in the actual discharge of their official duties.

DAS services

- Eliminates the ability of a state-supported college or university or a municipality to use services and facilities furnished by DAS to provide and maintain payroll services and state merit standards.
- Eliminates the DAS Director's ability to enter into an agreement with any county, municipality, or other political subdivision to furnish DAS services and facilities in the administration of a merit program or other functions related to human resources, including providing competitive examinations for positions in the classified service.
- Eliminates the DAS Director's ability to designate the municipal civil service commission of the largest city within a county as the Director's agent to carry out designated provisions of law administered by the Director within that county.
- Eliminates the ability of the DAS Director to incur necessary expenses for stationery, printing, and other supplies incident to DAS business.

Disability leave

- Modifies the disability leave program for eligible state employees, including regarding rule adoption requirements, eligibility, approval, allowances, and appeals.

Paid leave for emergency medical or firefighting service

- Increases, from 40 to 120 hours, the amount of paid leave a state employee may use each calendar year to provide emergency medical or firefighting services.
- Expands the reasons for which a state employee may use the leave to include attending a training or continuing education program that relates to providing emergency medical or firefighting services.

Procurement processes

- Recodifies and modifies certain provisions under the state procurement law.
- Expands the definition of "Buy Ohio products" in procurement law to include any product that includes semiconductors produced by a company with a significant Ohio economic presence.
- Requires that a state consortium, established by the Chancellor of Higher Education, follow rules adopted by DAS for giving preference to Buy Ohio products, when making a purchase with appropriated funds of any product that includes semiconductors.
- Eliminates the Division of State Printing within DAS, and provides that state printing contracts are subject to DAS procurement law generally.

Prohibited applications on state systems

- Expands the types of social media applications that are prohibited on state agency computers, networks, and devices.

Sharing legal documents

- Requires the Attorney General to share certain privileged and confidential documents with the Office of Risk Management.

Public safety answering points

- Requires all public safety answering points (PSAPs) that answer 9-1-1 calls for service in Ohio to be subject to the PSAP operations rules.

Next Generation 9-1-1 access fee

- Repeals the law that would, beginning October 1, 2025, lower the Next Generation 9-1-1 access fee applied to certain communication services in Ohio from 40¢ to 25¢.
- Raises the Next Generation 9-1-1 access fee from 40¢ to 60¢.

Entrepreneur in residence pilot program

- Eliminates the entrepreneur in residence pilot program.

Software purchases

- Specifies prohibited provisions with respect to a contract for the purchase of software.

State surplus supplies

- Revises the DAS Director's authority to dispose of surplus or excess supplies to a nonprofit corporation.

Boards and commissions

- Adds the DAS Director to the Emergency Response Commission.
- Repeals the law requiring the DAS Director to establish the State Information Technology Investment Board within DAS.
- Formally abolishes the Prescription Drug Transparency and Affordability Advisory Council.

State civil service

- Replaces the requirement that the DAS Director and the State Personnel Board of Review (SPBR) exercise former functions, powers, and duties given to the State Civil Service Commission with a requirement that the DAS Director and SPBR exercise functions, powers, and duties actually given to the Commission on or before January 1, 1959.
- Eliminates the requirement that any reference to the Commission in law or rule be considered to refer to DAS, the DAS Director, or SPBR.

Flag display on state buildings and grounds

- Prohibits a state agency or any entity that manages the grounds or buildings under the control of a state agency (except for the Ohio Statehouse and its grounds) from displaying on the grounds or building any flag except for:
  - The official state flag;
  - The U.S. flag; or
  - The POW/MIA flag.

State real property study

- Requires DAS to conduct a biennial comprehensive study of all real property owned or leased by the state or a state agency and issue a report on the property.

Madison County land conveyance

- Authorizes the Governor to convey certain state-owned land and improvements in Madison County, and requires the proceeds of the sale to be deposited in the General Revenue Fund.

Exempt employee salary schedules

(R.C. 124.152; Sections 503.15 and 701.30)

The bill codifies modifications to exempt state employee pay schedules made by the DAS Director pursuant to H.B. 2 of the 135th General Assembly (enacted in 2024) and includes raises for FY 2026 and FY 2027. An exempt employee generally is an employee subject to the state job classification plan but exempt from collective bargaining.

The bill increases pay for exempt state employees paid in accordance with salary schedule E-1 by approximately 4.5% as of the pay period that includes July 1, 2025, and an additional 3% (approximate) as of the pay period that includes July 1, 2026. For exempt state employees paid in accordance with salary Schedule E-2, the bill increases the maximum pay range amount by similar amounts.

H.B. 2 allowed the DAS Director, in consultation with the OBM Director, to modify exempt state employee pay schedules to the extent necessary to achieve pay parity between exempt state employees and state employees who are paid in accordance with collective bargaining agreements entered into in accordance with Ohio's Public Employee Collective Bargaining Law[2] that were effective on or after March 1, 2024. The modification authorized by H.B. 2 applies only to the period beginning with the pay period that includes July 1, 2024, and ending with the pay period that includes June 30, 2025.[3]

[2] R.C. Chapter 4117.

[3] Section 701.10 of H.B. 2.

The bill authorizes each state appointing authority to make expenditures from current state operating appropriations to provide for compensation increases pursuant to approved collective bargaining agreements between employee organizations and the state and pursuant to the bill for employees exempt from collective bargaining.

The bill repeals a prohibition against an exempt employee who is not a captain or equivalent officer in the State Highway Patrol from being paid at step value 7 in range 17 of Schedule E-1. Effective July 1, 2025, an exempt employee paid at step 6 of pay range 17 is eligible to move to step 7 of pay range 17, provided the employee did not advance a step within the preceding 12 months. An exempt employee paid at step 6 of pay range 17 who is ineligible under the bill to move up to step 7 of pay range 17 in the pay schedule will be eligible for advancement in accordance with continuing law.[4]

State employee work location

(R.C. 124.184, 4117.08, and 4117.10)

The bill requires each state agency, not later than October 15, 2025, to develop a plan for its state employees to report to the agency's worksite or another location designated by the agency during the time the employees are performing their duties for the agency. Beginning January 1, 2026, an agency must require its employees to report to the agency's worksite or another location in accordance with that plan.

Under the bill, "state agency" means any organized body, office, or agency established by the laws of the state for the exercise of any function of state government, including the state retirement systems. "State agency" does not, however, include a state institution of higher education or JobsOhio. A court or judicial agency is considered a state agency under continuing law and has the authority under the Ohio Constitution to employ and control its employees.[5] Because the requirement applies to the judicial branch, a separation of powers concern might arise with the General Assembly determining how a court or judicial agency controls the work location of its employees.[6]

Exceptions

Beginning January 1, 2026, the bill prohibits state employees from working from their place of residence unless an exception applies. A state agency may allow an employee to work from the employee's residence as a reasonable accommodation under Title I of the federal Americans with Disabilities Act of 1990[7] (ADA) or the Ohio Civil Rights Law.[8] An agency also may adopt a policy that permits a designated supervisor to approve an employee to work from the employee's residence or other off-site location in the following circumstances:

[4] See R.C. 124.15, not in the bill.

[5] Ohio Constitution, Article IV, Sections 4 and 5.

[6] See, for example, *South Euclid v. Jemison*, 28 Ohio St.3d 157, 158 (1986).

[7] 42 United States Code (U.S.C.) 12111, *et seq.*

[8] R.C. Chapter 4112.

- During an occasional or emergent situation as required to complete a necessary or time-sensitive business function of the agency;
- Rare occasions where a health order or weather emergency requires an individual to remain at the individual's place of residence or to shelter in place;
- Occasions where the agency's worksite is or may be closed on a temporary or ongoing basis, including remodeling an existing building, natural disaster, utility outage, security threat, or other occurrence that has or will result in such a closure;
- Where the supervisor determines that an employee is in a computer-related occupation that is exempt from minimum wage and overtime pay under the federal Fair Labor Standards Act,[9] or for an employee not in a computer-related occupation, primarily performs the employee's duties for the agency in the field or another location designated by the agency that is not the employee's place of residence due to the employee's job classification or position;
- Where the supervisor grants an employee an accommodation for a temporary medical condition not covered under the ADA or Ohio Civil Rights Law.

Collective bargaining

The bill makes state employee work location not an appropriate subject for collective bargaining for public employee collective bargaining agreements entered into on or after the provision's effective date. Additionally, the bill's provisions regarding state employee work location prevail over a conflicting provision in a collective bargaining agreement entered into on or after the provision's effective date.

Attestation

Under the bill, a state employee must attest on the employee's timesheet that the employee is in compliance with the state agency's plan to report to the agency's worksite or another location designated by the agency or is approved to work from the employee's residence or another off-site location as described under "**Exceptions**," above. An employee receiving a reasonable accommodation under the ADA or Ohio Civil Rights Law is not required to complete an attestation.

Annual reports

The bill requires each state agency to submit an annual implementation report to the DAS Director, covering the period established by the Director, that describes the agency's compliance with its plan. The agency must include information in the report on the number of its state employees who report to the agency's worksite or another location and the wages and job classification of its employees.

The Director must submit a written report that compiles the information received from the state agencies to the Speaker of the House, the Senate President, and the chairpersons of

[9] 29 U.S.C. 213 and 29 Code of Federal Regulations (C.F.R.) 541.400.

the standing committees of the House and the Senate that are principally responsible for workforce development policy. The Director must submit the first report on March 1, 2026, and subsequent reports every March 1 thereafter.

DAS personnel

(R.C. 124.07)

The bill eliminates the DAS Director's authority to designate individuals in or out of the service of the state to serve as examiners or assistants under the Director's direction, while retaining the Director's authority to appoint examiners, inspectors, clerks, and other assistants as necessary to carry out the law. Per the Office of Budget and Management, DAS does not currently employ examiners or assistants. Thus, this provision appears to have no substantive effect.

The bill also eliminates the following current law provisions related to DAS personnel:

- A requirement that an examiner or assistant be paid compensation for each day in the discharge of duties as an examiner or assistant;
- A provision specifying that rendering services in connection with an examination without extra compensation is part of an examiner's or assistant's official duties;
- A requirement that the DAS Director, examiners, inspectors, clerks, and assistants must receive reimbursement for necessary traveling and other expenses incurred in the actual discharge of their official duties.

Under continuing law, if an examiner or assistant is included in the state job classification plan, they would be paid in accordance with the appropriate salary schedule.[10]

DAS services

(R.C. 124.07)

The bill eliminates the ability of a state-supported college or university or a municipality to use services and facilities furnished by DAS to provide and maintain payroll services and state merit standards. The bill also eliminates the DAS Director's ability to do the following:

- Enter into an agreement with any county, municipality, or other political subdivision to furnish DAS services and facilities in the administration of a merit program or other functions related to human resources, including providing competitive examinations for positions in the classified service;
- Designate the municipal civil service commission of the largest city within a county as the DAS Director's agent to carry out designated provisions of law administered by the DAS Director within that county; and

[10] R.C. 124.14, not in the bill.

- Incur necessary expenses for stationery, printing, and other supplies incident to DAS business.

Disability leave

(R.C. 124.385)

The bill modifies the disability leave program for eligible state employees. It makes a full-time permanent state employee with at least one year of continuous state service eligible for disability leave benefits if the employee is entitled to disability benefits under a collective bargaining agreement.

The bill eliminates the requirement that the DAS Director adopt a rule regarding the program under the Administrative Procedure Act.[11] Thus, the bill subjects the required rule adoption regarding the program to the abbreviated rulemaking procedure (R.C. 111.15). The Director must adopt a rule that allows disability leave due to a condition, in addition to illness or injury as under continuing law. The bill eliminates the requirement that the Director include in the rule all of the following:

- Timing requirements regarding the procedure for appealing denial of payment of a claim;
- Approving leave for medical reasons where an employee is in no pay status after using all other leave time;
- Provisions precluding benefit payments so they are provided in a consistent manner.

The bill also eliminates all of the following:

- The prohibition against charging time off for an employee granted disability leave to any other leave granted by law;
- The requirement that the DAS Director approve disability leave on an appointing authority's recommendation;
- The DAS Director's ability to delegate to an appointing authority the authority to approve disability benefits for a standard recovery period.

The bill specifies that the adjudication hearing requirements of the Administrative Procedure Act do not apply to the procedures for appealing denial of payment of a claim.

Paid leave for emergency medical or firefighting service

(R.C. 124.1310)

The bill increases, from 40 to 120 hours, the amount of paid leave a state employee may use each calendar year to provide emergency medical or firefighting services. It also expands the reasons for which a state employee may use the paid leave to include attending a training or continuing education program that relates to providing emergency medical or firefighting

[11] R.C. Chapter 119.

services. Continuing law requires an appointing authority to pay an employee who uses the leave at the employee's regular pay rate.

Procurement law changes

Miscellaneous

(R.C. 125.01, 125.02, 125.036, 125.04, 125.041, 125.05, 125.051, 125.09. 125.07, 125.071, 125.072, 125.09, 125.11, 125.18, 125.601, 127.16, 307.86, 731.14, 731.141, 3345.691, 3345.692, 4114.36, 5513.01, and 5513.02; repeal of R.C. 125.10 and 125.112)

The bill specifies DAS's responsibilities with respect to the purchase of "goods or services" instead of "supplies and services" as in current law. For purposes of the bill, "goods" is defined as "anything that can be purchased that is not a service or real property." This appears to clarify or broaden the scope of authority, as the applicable definition of "supplies," which is being repealed by the bill, is "all property including, but not limited to, equipment, materials, and other tangible assets, but excluding real property or an interest in real property."

The bill requires that, when exercising direct purchasing authority, a state agency must comply with all DAS policies, in addition to all applicable laws, rules and regulations as under current law.

It appears the bill limits the types of emergency medical service organizations that may participate in state contracts. Under current law, DAS may establish state contracts for political subdivisions to participate in, including any public or private emergency medical service organization, that meets certain criteria. The bill appears to eliminate the authority for DAS to allow a "public" emergency medical service organization to participate in contracts, and instead requires that the entity be a private nonprofit to participate.

The bill does all of the following:

- Requires the DAS Director to adopt rules in accordance with the Administrative Procedure Act regarding circumstances and criteria for a state agency to obtain a release and permit from DAS authorizing the agency to make purchases directly must use these procedures;
- Authorizes DAS, at its discretion, to amend, renew, cancel, or terminate any state contract when it is in the best interest of the state;
- Eliminates a requirement that DAS include in its annual report, an estimate of the purchases, by participation in state contract, that are made by state institutions of higher education, governmental agencies, political subdivisions, boards of elections, private fire companies, private, nonprofit emergency medical service organizations, and chartered nonpublic schools;
- Requires solicitations for state agency purchases via competitive sealed bidding and competitive sealed proposal, at a minimum, contain a detailed description of the goods or services to be purchased, the terms and conditions of the purchase, instructions concerning submission of proposals, and any other information prescribed by rules, or that DAS considers necessary;

- Requires proposals in response to competitive sealed proposal solicitations be submitted through and opened in the electronic procurement system established by DAS and specifies that proposals received after the due date and time specified in the solicitation must be considered nonresponsive;
- Requires the prequalification of all entities who submit bids through the "reverse auction" purchasing process;
- Eliminates DAS's authority to require that all competitive sealed bids, competitive sealed proposals, and bids received in a reverse auction be accompanied by a performance bond or other financial assurance acceptable;
- Eliminates a requirement that each state agency awarding a grant establish and maintain a separate website listing the name of the entity receiving each grant, the grant amount, information on each grant, and any other relevant information determined by DAS;
- Recodifies certain definitions in the procurement law to one common definition section.

State procurement website

(R.C. 125.073; repeal of R.C. 125.112)

The bill recodifies the requirement that DAS establish and maintain a single searchable website, accessible by the public at no cost, that includes all of the following information for goods or services purchased by the state:

- The name of the entity receiving the award;
- The anticipated amount of the award;
- Information on the award, the agency or other instrumentality of the state that is providing the award, and the commodity code; and
- Any other relevant information determined by DAS.

The bill clarifies that the requirement to post the above information on the website should not be construed to require the disclosure of information that is not a public record under Ohio Public Records Law.

It also clarifies that the existing DAS electronic procurement system may be used to meet the requirement for a single searchable website.

Requisite procurement programs

(R.C. 125.035)

The bill modifies the procedures for state agency purchases through the first and second requisite procurement programs. Under current law, a state agency wanting to make a purchase must utilize programs or obtain a determination from DAS that the purchase is not subject to them. Instead, the bill requires the state agency to determine if the goods or services are available through the programs, and to utilize the following procedures:

1. If the needed goods or services are available from more than one first requisite procurement program, preference must be given in the following order:

a. Ohio Penal Industries;

b. Community rehabilitation programs;

c. Ohio-based personal protective equipment manufacturers program.

2. If the needed goods or services cannot be provided by a first requisite procurement program, a state agency must determine if the goods or services are available from any of the second requisite procurement programs.

3. When requisite procurement programs receive a purchase request from a state agency, the programs must determine if it can provide the requested goods or services. In making this determination, the programs must do one of the following:

a. Direct the requesting state agency to obtain the requested goods or services through the proper requisite procurement program;

b. Provide the requesting state agency with a waiver from the use of the applicable requisite procurement program within five business days, or allow the time to lapse, whereupon DAS must issue a waiver to the requesting state agency.

Upon receiving a waiver, the requesting state agency may use direct purchasing authority to make the requested purchase.

Community Rehabilitation Program

(R.C. 125.601; repeal of R.C. 125.60, 125.602, 125.603, 125.604, 125.605, 125.606, 125.607, 125.608, 125.609, 125.6010, 125.6011, and 125.6012)

The bill modifies and recodifies the Community Rehabilitation Program. Under the bill, the program must reside within the procurement office of DAS, rather than within its own Office of Procurement from Community Rehabilitation Program.

The bill modifies the definition of government ordering office, as it applies to the program, so that it no longer includes the judicial branch, the General Assembly, or the offices of state elected officials. Under continuing law, a government ordering office may negotiate purchase pricing with qualified nonprofit agencies. The bill appears to eliminate the authority for these entities no longer included in the definition of "government ordering office," to negotiate pricing. It is not clear if the bill's intention is to eliminate the authority for the judicial branch, the General Assembly, and offices of state elected officials to actually participate in the program.

The bill eliminates provisions that authorized DODD, OhioMHAS, JFS, OOD, and any other state or governmental agency or community rehabilitation program, through written agreement, to cooperate in providing resources to DAS for the operation of the Office of Procurement from Community Rehabilitation Program.

The bill retains the annual reporting requirement. It specifies that it must be submitted by DAS, by December 13, to the Governor, the Senate President, and the Speaker of the House.

The report must identify the number, types, and costs of purchases made by government ordering offices from qualified nonprofit agencies during the prior fiscal year.

Biobased Product Preference Program

(R.C. 125.091; repeal of R.C. 125.092 and 125.093)

The bill modifies and recodifies the Biobased Product Preference Program, which gives preferred purchasing considerations by state agencies and state institutions of higher education to designated biobased products. The bill specifies new requirements for the purchase of biobased products. Under the bill, "biobased product" means:

> . . . a product, other than food or feed, determined by the secretary of the United States Department of Agriculture (USDA) to be of the minimum biobased content as defined by the USDA Biopreferred Program of Biological Products, forestry materials, or renewable domestic agricultural materials, including plant, animal, or marine materials. (R.C. 125.091)

Under the bill, DAS, state agencies, and state institutions of higher education, when purchasing biobased products, must purchase USDA designated items in accordance with procedures established by the purchasing institution. The bill repeals current law's requirements that the DAS Director set minimum biobased content specifications for awarding contracts and maintain a list of products that qualify as designated items.

For any biobased product being offered to a state agency or state institution of higher education, a supplier must provide information to the agency or institution certifying that the product is a USDA designated item.

Also, excluding motor vehicle fuel, heating oil, and electricity, to qualify as a biobased product under the bill, a product must be an item designated by the USDA as either qualifying for mandatory federal purchasing or being certified through the federal voluntary labeling initiative.

The bill requires DAS to prepare and submit to the Governor, the Senate President, and the Speaker of the House an annual report on the effectiveness of the program. It eliminates the requirement that the annual report describe the number and types of biobased products purchased and the amount of money spent by DAS and other state agencies for those products.

Military goods or services

(R.C. 125.01 and 125.02)

The bill establishes a definition in procurement law for "military goods or services."

Under continuing law, DAS may not establish state contracts for use by the Adjutant General to purchase military supplies or services. The bill revises the law to refer instead to "military goods and services," defined as:

> . . . goods or services provided through the supply chain of any branch of the United States military that are necessary for

executing an assigned mission, including arms, ordnance, equipment, and all other military property issued to the state by the federal government. "Military goods or services" does not include any of the following:

1. Real property;
2. Construction of, or improvements or alterations to, public works as required by Chapter 153. of the Revised Code;
3. Goods or services that state agencies can purchase from requisite procurement programs as prescribed by section 125.035 of the Revised Code, through competitive selection as prescribed by sections 125.05 and 127.16 of the Revised Code, or through direct purchasing authority.

Procurement law and semiconductors

(R.C. 125.01 and 3333.04)

The bill expands the definition of "Buy Ohio products" in procurement law to include any product that includes semiconductors produced by a company with a significant Ohio economic presence. Under continuing law, significant Ohio economic presence means businesses that: pay required taxes to Ohio or a border state, are registered and licensed to do business in Ohio or as required by a border state, and have ten or more employees based in Ohio or the border state, or 75% or more of their employees based in Ohio or the border state. A border state means any state that is contiguous to Ohio and that does not impose a restriction greater than Ohio imposes on persons located in Ohio selling goods or services to agencies of that state.[12]

The bill requires that a state consortium, established by the Chancellor of Higher Education, follow rules adopted by DAS for giving preference to "Buy Ohio products," when making a purchase with appropriated funds of any product that includes semiconductors. Otherwise, under continuing law, a consortium must follow the rules of the college or university that serves as its fiscal agent.

Prohibited applications on state systems

(R.C. 125.183)

The bill expands the types of social media applications ("covered applications") that are prohibited from being downloaded or used on state agency computers, networks, and devices. Specifically, it adds any application owned or controlled by an entity identified as a foreign adversary as defined in federal regulations to the prohibition. Federal regulations define foreign adversary as any foreign government or foreign nongovernment person determined by the

[12] Ohio Administrative Code (O.A.C.) 123:5-1-01.

Secretary of Commerce to have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the U.S. or security and safety of U.S. persons.[13]

Current law prohibits all of the following "covered applications" from use on state agency computers, networks, and devices:

- The TikTok application, or any successor application or service developed or provided by ByteDance;
- WeChat application and service, or any successor application or service developed or provided by Tencent Holdings; or
- Any application or service owned by an entity located in China, including QQ International (QQi), Qzone, Weibo, Xiao, HongShu, Zhihu, Meituan, Toutiao, Alipay, Xiami Music, Tiantian Music, DingTalk Ding, Douban, RenRen, Youku/Tudou, Little Red Book, and Zhihu.

Under continuing law, the State Chief Information Officer must do all of the following:

- Require state agencies to remove any covered application from all equipment the state agency owns or leases;
- Prohibit the downloading, installation, or use of a covered application by the state agency or any officer, employee, or contractor;
- Prohibit the downloading, installation, or use of a covered application using an internet connection provided by the state agency;
- Require state agencies to take measures to prevent the downloading, installation, or use of a covered application.

A qualified person is permitted to download, install, or use a covered application for law enforcement or security purposes as long as the person takes appropriate measures to mitigate the security risks involved.

Sharing legal documents

(R.C. 9.821)

The bill requires the Attorney General's Office to share with DAS's Office of Risk Management communications and documents made for the purpose of seeking or providing legal advice or counsel in connection with litigation, liability claims, contract disputes, risk management issues, and other matters involving the programs of the Office of Risk Management. The bill establishes that all communications and documents that are shared between the Office of Risk Management, a state agency, and the Attorney General's Office are privileged and confidential.

[13] 15 C.F.R. 791.2.

Public safety answering points

(R.C. 128.021)

The bill requires all public safety answering points (PSAPs) that answer 9-1-1 calls for service in Ohio to be subject to the PSAP operations rules. Current law states that PSAPs that take 9-1-1 calls for service from wireless services are subject to such rules. By repealing "from wireless service" the bill appears to require that all PSAPs must conform to the operations rules. The bill does not, however, change the provisions of continuing law that require PSAPs not originally required to be compliant, to comply with the standards by October 3, 2025.

Next Generation 9-1-1 access fee

(R.C. 128.41; R.C. 128.412, repealed)

The bill does both of the following regarding the Next Generation 9-1-1 access fee applied to communication services in Ohio:

- Repeals the law that would, beginning October 1, 2025, lower the fee from 40¢ to 25¢.
- Raises the fee from 40¢ to 60¢.

Under current law, "communication service" means any wireless service, multiline telephone system, and voice over internet protocol system to which the service or system is registered to the subscriber's address within Ohio or the subscriber's primary place of using the service or system is in Ohio, and it can initiate a direct connection to 9-1-1.

Entrepreneur in residence pilot program

(R.C. 125.65, repealed; R.C. 102.02 (conforming))

The bill eliminates the entrepreneur in residence pilot program, which was established in DAS's LeanOhio office. The program's mission is to provide for better outreach by state government to small businesses, to strengthen coordination and interaction between state government and small businesses, and to make state government programs and functions simpler, easier to access, more efficient, and more responsive to the needs of small businesses.

Software purchases

(R.C. 9.27)

The bill prohibits a state agency from entering into a contract for a software application that limits the agency's ability to choose the hardware or cloud platform on which the software runs, unless state or federal law requires otherwise. This provision applies to software designed to run on generally available desktop or server hardware or cloud platforms.

Emergency Response Commission

(R.C. 3750.02)

The bill adds the DAS Director to the Emergency Response Commission. With this addition, the Commission will consist of ten ex-officio members, ten appointed members, and

two members of the General Assembly who serve as nonvoting members. The affirmative vote of a majority of the voting members is necessary for any action taken by the Commission.

State surplus supplies and nonprofit organizations

(R.C. 125.13)

The bill revises the DAS Director's authority to dispose of surplus or excess supplies, in the Director's control, to a nonprofit organization. It removes the requirement that, to be eligible to receive such supplies, a nonprofit organization must receive funds from the state or have a contract with the state. Instead, the bill requires the nonprofit organization be registered and in good standing with the Secretary of State as a domestic nonprofit or not-for-profit corporation.

State printing

(R.C. 125.041, 125.31, 125.42, and 125.58; Repeal of R.C. 125.36, 125.38, 125.43, 125.49, 125.51, 125.56, and 125.76)

The bill eliminates the Division of State Printing within DAS, and specifically eliminates the statutory assignment of functions, powers, and duties to the Division. Under continuing law, DAS generally has supervision over all public printing. The bill recodifies a current law that appears to exempt, from DAS oversight, printing contracts that require special security paper, of a unique nature, if compliance with certain DAS requirements will result in acquiring a disproportionately inferior product or a price that exceeds by more than 5% the lowest price submitted on a non-Ohio bid.

The bill eliminates the following current law provisions, which apply specifically to state contracts for printing services. Under the bill such contracts would instead be subject to DAS procurement law generally:

- A provision that allows DAS, after determining that any or all bids or proposals are not in the interest of the state, to purchase the various printing goods and services required at the lowest price available in the open market.
- A provision allowing DAS to require that a bid or proposal for a term contract for printing goods and services, including a final printed product, be accompanied by a bond, in a sum specified in the invitation to bid.
- A requirement that the printing of all publications approved by DAS must be ordered through it.
- A requirement that each bid or proposal for state printing specify the price at which the offeror will undertake to provide the finished product as specified in the invitation to bid or request for proposals, including the necessary binding covered by such bid or proposal.
- A requirement that, after examining each bid for printing services, DAS award the contract within 30 days.
- A provision that provides that generally all printing and binding for the state is subject to the provisions specific to printing services so far as practicable.

State Information Technology Investment Board

(R.C. 125.181, repealed)

The bill repeals the law requiring the DAS Director to establish the State Information Technology Investment Board within DAS. Under current law, the Board consists of representatives from various state elective offices and state agencies, including OBM. The Board must identify and recommend opportunities for consolidation and cost-saving measures relating to information technology to the State Chief Information Officer. Board members are not entitled to compensation for their services.

Prescription drug affordability advisory council

(R.C. 125.95, repealed)

The bill formally abolishes the Prescription Drug Transparency and Affordability Advisory Council. The Council was created within DAS, by the General Assembly in 2019 and tasked with producing a report with recommendations for achieving prescription drug price transparency. After submission of its report, the Council was required to meet at least quarterly to provide guidance. In 2021, the Council was abolished, and the Joint Medicaid Oversight Committee was authorized to examine any of the topics described in the report prepared by the Council. The bill repeals the authorizing statute for the abolished Council.

State civil service

(R.C. 124.02)

The bill replaces the requirement that the DAS Director and the State Personnel Board of Review (SPBR) exercise former functions, powers, and duties given to the State Civil Service Commission with a requirement that the DAS Director and SPBR exercise functions, powers, and duties actually given to the Commission on or before January 1, 1959. It also eliminates the requirement that any reference to the Commission in law or rule be considered to refer to DAS, the DAS Director, or SPBR.

Flag display on state buildings and grounds

(R.C. 123.30)

The bill prohibits a state agency or any entity that manages the grounds or buildings under the control of a state agency from displaying on the grounds or building any flag except for:

1. The official state flag;

2. The U.S. flag; or

3. The POW/MIA flag.

However, this prohibition does not apply to the Ohio Statehouse or the grounds of the Ohio Statehouse.

State real property study

(R.C. 123.14)

The bill requires DAS to conduct a comprehensive study and issue a report on all real property owned or leased by the state or a state agency every two years. The report must include information on the nature of each property, the property's value, cost of maintenance, current and potential usage, square footage, and whether the property is owned, rented, or leased.

The bill defines the term "state agency" to encompass every "body, office, or agency established by the laws of the state for the exercise of any function of state government," including JobsOhio, excluding courts, judicial agencies, state-assisted institutions of higher education, and local agencies.

Madison County land conveyance

(Section 701.40)

The bill authorizes the Governor to convey to Madison County roughly 10.8 acres of land currently operated by the State of Ohio Madison Correctional Prison. Consideration for the conveyance is not set in the bill but is required to be at a price acceptable to the DAS Director. The proceeds of the sale are required to be deposited into the General Revenue Fund.

DEPARTMENT OF AGING

Provider certification

- Expands a provider agreement as one that a services provider may enter into, or renew, with either the Department of Aging or a PASSPORT administrative agency.
- Revises one of the disciplinary actions that the Department of Aging may take against a certified provider, by specifying that the action requires submission to the Department of both a plan of correction **and** evidence of compliance with requirements the Department has identified, instead of either.
- Specifically includes a direct care provider in the law permitting the Department not to hold a hearing when taking disciplinary action against a provider's certification, when a provider's principal owner or manager has pled guilty to a disqualifying offense.
- Authorizes the Department to send notices regarding disciplinary actions by electronic mail.

Community-based long-term care services providers – criminal records checks

- Excludes attorneys, persons acting at the direction of attorneys, and participant-directed providers from the law governing criminal records checks and database reviews for persons applying for, or employed in, direct-care positions with community-based long-term care services providers under Department-administered programs.
- Eliminates a consumer meeting certain conditions from the law's responsible party definition.
- Also excludes ambulette drivers, attorneys, and persons acting at the direction of attorneys from the requirement that the Department take certain actions based on criminal records check and database review results.

Electronic visit verification

- Exempts providers utilizing electronic visit verification systems from the law requiring each provider under contract with the Department of Aging, Developmental Disabilities, Health, or Job and Family Services to provide home care services to home care dependent adults to have a system in place that monitors the delivery of those services.
- Eliminates the law requiring the departments, by September 27, 2005, to study and submit a report addressing how self-employed providers may be required to adopt a monitoring system.

PASSPORT program – training and supervision of home health and personal care aides

- Eliminates the law prohibiting the Department from requiring a PASSPORT program home health aide to complete more hours of pre-service training or annual in-service training than is required by federal law.
- Instead, extends that prohibition to PASSPORT program personal care aides, by prohibiting the Department from requiring such an aide to complete more pre-service and annual in-service training hours than federal law requires.
- Eliminates references to home health aides from the law limiting the supervision of PASSPORT program home health aides and personal care aides to registered nurses (RNs) and licensed practical nurses (LPNs) under the direction of RNs.
- Specifies that LPNs may supervise PASSPORT program personal care aides under the direction of the following additional practitioners: chiropractors, dentists, optometrists, physicians, physician assistants, and podiatrists.

Program for All-Inclusive Care for the Elderly (PACE)

- Requires the Department to seek approval to allow the Program for All-Inclusive Care for the Elderly (PACE) to receive PACE services immediately upon applying, during a presumptive eligibility period, while a full eligibility determination is conducted.
- Specifies that, if the applicant is later determined to be ineligible for PACE, the PACE organization that made the presumptive eligibility determination is responsible for the costs of PACE services provided to the individual during that period.
- Requires the Department, by July 1, 2026, to issue a request for proposals from any entity interested in becoming a PACE organization in any currently unserved Ohio county, and to review those proposals by December 31, 2026.

BELTSS license fee increases

- Increases fees paid to the Board of Executives of Long-Term Services and Supports (BELTSS) for nursing home administrator license applications, initial licenses, renewals, and reinstatements and for health service executive license renewals.
- Establishes the fee for a temporary license, available beginning on January 1, 2025.
- Changes the term "administrator in training" to "administrator resident."

Provider certification

(R.C. 173.391)

The bill makes the following changes to the law governing the Department of Aging's certification of service providers under programs administered by the Department, including the PASSPORT program.

First, it describes a provider agreement as one that a provider of services may enter into, or renew, with either of the following parties: the Department, or a PASSPORT administrative agency operating in the region of Ohio where the provider is certified. Current law authorizes a provider to enter or renew an agreement with only a PASSPORT administrative agency (referred to in rules as the Department's designee).

Second, the bill revises one of the disciplinary actions that the Department may take against a certified provider, by specifying that the action requires submission of both of the following to the Department: (1) a plan of correction and (2) evidence of compliance with requirements identified by the Department. Under current law, either a plan *or* evidence of compliance must be submitted.

Third, it specifically includes a direct care provider in the law permitting the Department not to hold a hearing when it denies, suspends, or revokes a provider certification for the following reason: that a provider's principal owner or manager has entered a guilty plea for, been convicted of, or has been found eligible for intervention in lieu of conviction for a disqualifying offense.

Fourth, the bill authorizes the Department to send notices regarding (1) disciplinary actions or (2) refusals to certify providers by electronic mail. At present, such notices may be sent only by regular mail.

Community-based long-term care services providers – criminal records checks

(R.C. 173.38 and 173.381)

The bill makes several changes to the law governing criminal records checks and database reviews for persons applying for, or employed in, direct-care positions with community-based long-term care services providers whose services are provided under programs administered by the Department. Under current law, a responsible party is prohibited from employing an applicant or continuing to employ an employee in a direct-care position if the applicant or employee is included in certain criminal databases or has been convicted of, pleaded guilty to, or been found eligible for intervention in lieu of conviction for a disqualifying offense.

First, the bill clarifies that a direct-care position does not include either an attorney licensed to practice in Ohio or a person who is not licensed to practice law in Ohio, but, at the direction of such an attorney, assists the attorney in the provision of legal services. Accordingly, neither a database review nor a criminal records check is required for either type of individual. The bill also exempts a participant-directed provider from the criminal records check and database review requirements.

Relatedly, the bill eliminates a consumer meeting certain conditions from the law's responsible party definition. As such, that consumer is not required by the bill to conduct database reviews or criminal records checks for direct-care positions.

Finally, the bill specifically excludes an ambulette driver, attorney, and person acting at the direction of an attorney from the law requiring the Department to take certain actions against a certificate, contract, or grant issued or awarded to a self-employed provider of community-

based long-term care services if the provider is included in certain criminal databases or is found by a criminal records check to have been convicted of, pleaded guilty to, or been found eligible for intervention in lieu of conviction for a disqualifying offense.

Electronic visit verification

(R.C. 121.36)

The bill makes the following changes to the law requiring a provider under contract with the Department of Aging, Developmental Disabilities, Health, or Job and Family Services for the provision of home care services to home care dependent adults to have a system in place that effectively monitors service delivery by provider employees.

First, it exempts providers utilizing an electronic visit verification system from having to implement a monitoring system. At present, only self-employed providers with no other employees are exempt from the requirement to have a system in place to monitor service delivery.

Second, the bill eliminates the law requiring the departments to study and submit a report, not later than September 27, 2005, addressing how self-employed providers may be made subject to the requirement to adopt an effective monitoring system for service delivery.

PASSPORT program – training and supervision of home health and personal care aides

(R.C. 173.525)

The bill eliminates the law prohibiting the Department from requiring a PASSPORT program home health aide to complete more hours of pre-service training or annual in-service training than is required by federal law. However, it extends that prohibition to PASSPORT program personal care aides, by barring the Department from requiring such an aide to complete more pre-service and annual in-service training hours than federal law requires.

The bill also revises the law limiting the supervision of PASSPORT program home health aides and personal care aides to registered nurses (RNs) or licensed practical nurses (LPNs) under the direction of RNs as follows:

1. Removes the law's references to home health aides; and

2. Specifies that LPNs may supervise under the direction of the following additional practitioners: chiropractors, dentists, optometrists, physicians, physician assistants, and podiatrists.

Program for All-Inclusive Care for the Elderly (PACE)

Presumptive eligibility

(R.C. 173.50 and 173.503)

The bill requires the Department to implement a presumptive eligibility component to the Program for All-Inclusive Care for the Elderly (PACE). Under the bill, PACE applicants may receive services under the program during a temporary period that begins immediately upon

application and a finding of presumptive eligibility. During this time, the PACE organization must conduct a full eligibility determination on behalf of the individual. If the individual is determined to be ineligible for PACE, the PACE organization that found the individual presumptively eligible is responsible for the costs of services provided to the individual during the presumptive eligibility period. The Director of Aging is permitted to adopt rules establishing priorities for enrolling in the program under presumptive eligibility.

Program expansion

(R.C. 173.502)

Under current law, by August 5, 2023, the Department was required to issue a request for proposals (RFP) from entities interested in becoming PACE organizations, including for service areas in certain Ohio counties.

The bill eliminates obsolete portions of the law, and requires the Department, by July 1, 2026, to issue an RFP from any entity interested in becoming a PACE organization located in an Ohio county not currently served by a PACE organization. The Department must review all proposals and determine, by December 31, 2026, which entities are qualified to become PACE organizations. Under continuing law, proposals must be submitted to the Department within 90 days of the RFP. The bill's expansion does not prevent the Department from expanding PACE outside of this RFP process, including by issuing other requests for proposals.

BELTSS license fee increases

(R.C. 4751.20, 4751.24, and 4752.25)

The bill increases the fees paid to the Board of Executives of Long-Term Services and Supports (BELTSS) as follows:

- Nursing home administrator license application, from $100 to $250;
- Nursing home administrator resident application, from $50 to $250;
- Nursing home administrator initial license, from $250 to $800;
- Nursing home administrator biennial license renewal, from $600 to $800;
- Nursing home administrator license reinstatement, from $300 to $800;
- Health services executive annual license renewal, from $50 to $100.

The bill establishes a fee of $350 for issuance of a temporary license to act as a nursing home administrator. The temporary license, valid for 180 days, became available on January 1, 2025, and, under continuing law, can be issued to an individual who meets the requirements for a nursing home administrator but has not yet passed the licensing examination.

The bill also changes the term "administrator in training" to "administrator resident."

DEPARTMENT OF AGRICULTURE

Pesticide Law changes

- To comply with updated U.S. EPA regulations regarding pesticides, makes changes to the law governing restricted use pesticides, pesticide business licensure, pesticide registration, pesticide applicator examinations, and pesticide dealers, including doing the following:
  - Requiring restricted use pesticides to be applied exclusively by a licensed commercial or private pesticide applicator, rather than allowing a commercial applicator's trained service person or a private applicator's immediate family or employee to apply those pesticides under the direct supervision of the licensed applicator;
  - Requiring each pesticide business location to be licensed, rather than requiring one license for the pesticide business and the registration of each location that is owned by the person operating the pesticide business;
  - Allowing the Director of Agriculture (ODA Director) to establish an examination fee by rule for applicants for pesticide applicator licenses; and
  - Increasing the number of days that the ODA Director may suspend a license, permit, or registration prior to a hearing concerning a violation from ten to 30 days.
- Increases the fees relating to the annual registration of a pesticide sold or distributed in Ohio.

Hemp Cultivation and Processing Program

- Grants authority to the ODA Director to transfer jurisdiction to implement the hemp cultivation licensure program in Ohio to the U.S. Department of Agriculture, but retains the requirement that ODA implement a hemp processing licensure program.

Amusement rides

- Alters the current amusement ride classifications for purposes of the annual inspection and reinspection fee.
- Increases various inspection and reinspection fees for certain amusement rides, but decreases fees for inflatable rides.

Auctioneer client trust accounts

- Allows a licensed auctioneer to deposit money into a client trust account, and retain that money in the account, to pay expenses related to bank charges necessary to maintain the account.

Apiaries

- Makes changes to the requirements governing apiary (beekeeping) registration, including:

- Increasing, from ten to 30 days, the deadline by which a person must register an apiary after the person comes into ownership or possession of bees or moves into Ohio with an apiary; and
- Eliminating the $5 annual registration fee and the $10 late fee.

- Makes changes to the law governing the sale or gift of queen bees, including:
  - Expanding the law to include the sale of packaged bees, nucs, and bee colonies and the trade and distribution of bees; and
  - Requiring a person that intends to sell, trade, gift, or otherwise distribute queen bees, packaged bees, nucs, or colonies to file with ODA a request for certification of all the person's queen rearing apiaries for which certification is requested, rather than filing a request for inspection as under current law.
- Makes changes to the law governing deputy apiarists, including:
  - Allows a board of county commissioners to appoint multiple deputy apiarists, rather than only one as under current law;
  - Requires boards of county commissioners to pay the deputy apiarist for inspection work and expenses related to that work, as the board determines, rather than requiring the boards to pay for each day or half day of inspection work done as under current law; and
  - Allowing the ODA Director to assign a deputy apiarist to conduct inspections in multiple counties, instead of only the county in which the deputy is appointed as under current law.
- Expands the ODA Director's enforcement authority regarding the Apiary Law to include compliance agreements between ODA and a person engaged in queen rearing where the person agrees to comply with stipulated requirements.
- Eliminates a board of county commissioners' authority to appropriate money in an amount it deems sufficient for the inspection of apiaries in its county.

Pork Marketing Program

- Establishes a Pork Marketing Program to promote the sale and use of pork products, and generally applies the same procedures, requirements, and other provisions that exist for the Grain and Soybean Marketing Programs.
- Requires the Pork Marketing Program Operating Committee to consist of six elected members and four members appointed by the Governor.
- Requires the six members to be elected by eligible pork producers in accordance with the election procedures that apply to the Grain Marketing Program's Operating Committee, except that the elections must occur by district, and divides the state into six districts for operating committee elections.

- Requires the Director to levy an assessment on pork producers at 35¢ per $100 of value at the first point of sale, but specifies that assessments cannot be collected if assessments are levied under the National Pork Checkoff Program created under federal law.

Food processing establishment exemption

- Exempts a small egg producer that annually maintains 500 or fewer birds from food processing establishment regulations established by the ODA Director in rules.

Commercial Feed Law

- Revises the commercial feed registration for manufacturers and distributors, including doing the following:
  - Clarifying that the registration must be made on an annual, rather than semiannual, basis;
  - Requiring a manufacturer or distributor to pay a $50 registration fee and file the registration annually by February 1; and
  - Removing the minimum $25 commercial feed inspection fee, which is generally calculated at a rate of 25¢ per ton and, instead, exempting the first 200 tons of commercial feed sold in a calendar year from the fee.

Fertilizer license fee

- Increases the annual license fee to manufacture or distribute fertilizer from $5 to $50 and increases the late license renewal fee from $10 to $25.

Commercial seed labeler permit

- Increases the annual commercial seed labeler permit fee from $10 to $50 and changes the expiration date of the permit from December 31 to January 31 of each year.
- Regarding the annual seed fee paid by a commercial seed labeler permit holder that is based on the amount of seed sold by the permit holder, eliminates the minimum fee of $5, and instead waives the fee if the permit holder owes less than $50 for the seed fee.

Bakery registration fee

- Reduces the annual registration fee for larger capacity bakeries and increases the annual bakery registration fee for smaller capacity bakeries.

Soda water syrup or extract and soft drink syrup manufacturer

- Eliminates the registration requirement for soda water syrup or extract manufacturers or soft drink syrup manufacturers that are not otherwise licensed as soft drink bottlers.

Cold storage locker license fee

- Increases the annual license fee for cold storage lockers from $50 to $200.

Nurseryperson inspection fee

- Increases the base annual inspection fee for a nurseryperson who produces, sells, or distributes woody nursery stock in Ohio or ships such stock outside Ohio from $100 to $200.
- Increases the additional per-acre inspection fee for growing woody nursery stock as follows:
  - In intensive production areas from $11 per acre, or fraction of an acre, to $15 per acre, or fraction of an acre;
  - In nonintensive production areas from $7 per acre, or fraction of an acre, to $10 per acre, or fraction of an acre.

Annual liming material tonnage report

- Eliminates the annual tonnage report, and the accompanying inspection fee, that a liming material licensee must file with ODA for the number of net tons of liming material sold or distributed to nonlicensees in Ohio.

Certificate of free sale

- Allows the ODA Director to authorize any ODA division or program to issue to any entity a certificate of free sale, which is a document that certifies to states and countries receiving a listed product that the product is freely marketed without restriction in the U.S.
- Authorizes the ODA Director to charge a $50 fee for issuance of a certificate of free sale.

Ohio Grape Industries Committee

- Revises the makeup of the Ohio Grape Industries Committee by removing the Chief of the Division of Markets in ODA and adding two Ohio residents appointed by the ODA Director.

High volume dog breeder kennel and pet store funds

- Renames the High-Volume Breeder Kennel Control License Fund the Commercial Dog Breeding Fund.
- Abolishes the Pet Store License Fund and requires all pet store license fees and civil penalties assessed against pet stores to be credited to the Commercial Dog Breeding Fund.

Captive cervid licensing

- Creates a new regulatory scheme for those who propagate or own any type of cervid (deer, moose, and elk and their hybrids) instead of requiring those owners to be licensed as a livestock dealer.

Livestock dealers – fees and penalties

- Alters the fees charged by ODA to livestock dealers and brokers.

- Eliminates the first degree misdemeanor criminal penalties for violation of any prohibition of the law governing livestock dealers and brokers, except for the violation of a weigher improperly weighing or accepting bribes, and instead allows the ODA Director to assess a civil penalty.

Animal and Consumer Protection Fund

- Eliminates the Livestock Care Standards Fund and Dangerous and Restricted Animal Fund and redirects the money credited to those funds to the existing Animal and Consumer Protection Fund.
- Redirects money collected from livestock dealer and broker fees and fines imposed for violating the law governing livestock dealers from the Animal and Consumer Protection and Laboratory Fund to the Animal and Consumer Protection Fund.
- Requires the Animal and Consumer Protection Fund to be used to administer the laws governing dangerous wild animals and restricted snakes, livestock dealers, and captive cervid.

Food Safety Fund

- Requires money received from federal contracts or cooperative agreements for the performance of ODA's prescribed duties related to food safety inspections to be deposited into the Food Safety Fund, rather than into a general federal grant fund in which all federal grants to ODA are deposited under current law.

High Blend Ethanol Rebate Program

- Requires ODA to create and administer a pilot High Blend Ethanol Rebate Program to support new construction of E15 or higher blend ethanol pumps at motor fuel retailer locations across Ohio.
- Provides a rebate of 5¢ per gallon of blended fuel sold, up to $100,000 per fiscal year, to a retailer that meets the program's conditions.

Pesticide Law changes

(R.C. 921.01, 921.02, 921.06, 921.09, 921.11, 921.12, 921.13, 921.14, 921.16, 921.23, 921.24, and 921.26)

General changes to the law

The U.S. EPA recently updated its pesticide regulations and, as a result, Ohio must update its laws governing pesticides to retain its federal certification to regulate pesticides. Accordingly, the bill makes the following changes:

1. Requires restricted use pesticides to be applied exclusively by a licensed commercial pesticide applicator or licensed private pesticide applicator, rather than allowing a commercial applicator's trained service person or a private applicator's immediate family or employee to apply those pesticides under the direct supervision of the licensed applicator;

2. Regarding restricted use pesticides, expands the activities which require an applicator license to include doing both of the following:

a. Performing pre-application activities involving mixing and loading restricted use pesticides; and

b. Performing other pesticide-related activities, including transporting or storing pesticide containers that have been opened, cleaning equipment, and disposing of excess pesticides, spray mix, equipment wash waters, pesticide containers, and other pesticide-containing materials.

3. Requires each pesticide business location to be licensed, rather than requiring one license for the pesticide business and the registration of each location that is owned by the person operating the pesticide business;

4. Regarding the existing $150 pesticide registration and inspection fee required for each product name and brand registered by a company, makes the fee nonrefundable;

5. Allows the Director of Agriculture (ODA Director) to establish an examination fee by rule for applicants for pesticide applicator licenses;

6. Requires a pesticide dealer to maintain records of all the restricted use pesticides the dealer has distributed, rather than requiring the dealer to submit those records to the ODA Director; and

7. Regarding the ODA Director's enforcement authority for violations of the law governing pesticides, does both of the following:

a. Increases the number of days that the Director may suspend a license, permit, or registration prior to a hearing concerning a violation from ten to 30 days; and

b. In addition to other reasons for denying, suspending, revoking, refusing to renew, or modifying any license, permit, or registration, adds that the Director may take any of those actions if an applicant or holder of a license, permit, or registration has entered into an administrative or judicial settlement under the federal Insecticide, Fungicide, and Rodenticide Act.

Pesticide registration fee

The bill increases the fees relating to the annual registration of a pesticide sold or distributed in Ohio as follows:

1. From $150 to $250 for each product name and brand registered for the company whose name appears on the pesticide label;

2. From $75 to $125 for the penalty for late registration renewal; and

3. From $75 to $125 for the penalty for each product name and brand of a non-registered pesticide that is distributed in Ohio before registration.

Hemp Cultivation and Processing Program

(R.C. 928.02, 928.03, and 928.04)

Current law requires the ODA Director to establish a program to monitor and regulate hemp cultivation and processing in Ohio. "Hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of up to 0.3% on a dry weight basis.

The bill grants authority to the ODA Director to transfer jurisdiction to implement the hemp cultivation licensure program in Ohio to the U.S. Department of Agriculture. However, it retains the requirement that ODA implement a hemp processing licensure program.

Amusement rides

(R.C. 993.04, conforming change in R.C. 993.01)

Reclassification

The bill alters the current amusement ride classifications for purposes of the annual amusement ride inspection and reinspection fees. The current classifications are "kiddie rides," "roller coasters," "aerial lifts or bungee jumping facilities," and "other rides." It expands the classifications to:

1. Kiddie ride;

2. Family ride;

3. Major ride;

4. Spectacular ride;

5. Family/portable roller coaster;

6. Tower ride; and

7. Large roller coaster.

Accordingly, it also requires the ODA Director to define "inflatable ride," "kiddie ride," "family ride," "major ride," "spectacular ride," "family/portable roller coaster," "tower ride," and "large roller coaster" in rules.

Fee changes

The bill retains the $225 annual permit fee for each amusement ride (other than an inflatable ride). For an inflatable ride, the bill decreases the annual permit fee from $225 to $100. It also makes the following inspection and reinspection fee changes as follows:

Amusement ride inspection and reinspection fee changes			
Type of amusement ride	**Current fee per ride**	**New fee per ride under H.B. 96**	**Amount of change**
Family ride	$160	$200	$40 increase
Major ride	$160	$300	$140 increase
Spectacular ride	$160	$400	$240 increase
Family/portable roller coaster	$1,200	$1,200	No change
Tower ride	$160	$1,800	$1,640 increase
Large roller coaster	$1,200	$4,000	$2,800 increase
Inflatable ride – for three or fewer inflatable rides that are inspected at the same time at the same location and that are owned by the same owner	$104	$100	$4 decrease
Inflatable ride – for four to ten inflatable rides that are inspected at the same time at the same location and that are owned by the same owner	$104	$75	$29 decrease
Inflatable ride – for 11 or more inflatable rides that are inspected at the same time at the same location and that are owned by the same owner	$104	$50	$54 decrease

Auctioneer client trust accounts

(R.C. 4707.024)

Current law requires a licensed auctioneer to maintain a client trust or escrow account, which the auctioneer uses to pay a client for the auctioneer's sale of the client's personal property. It allows a licensee to pay expenses, including commission and advertisement fees, that are specifically delineated in the auction contract with money from the trust or escrow account. Finally, it prohibits money in the account from being commingled with the licensee's personal or business money.

The bill states that notwithstanding the above provisions, a licensee may deposit money into a trust or escrow account, and retain that money in the account, to pay expenses related to bank charges necessary to maintain the account. A licensee must not utilize any of the owner's or consignee's money to pay such expenses.

Apiaries

(R.C. 909.01, 909.02, 909.07, 908.08, 909.09, and 909.13)

Current law establishes requirements and procedures regarding apiaries (beekeeping) and requires ODA to oversee those requirements and procedures. The requirements include annually registering an apiary, inspections, and tracking sales of bees. Current law also allows a board of county commissioners to appoint a deputy apiarist to assist the ODA Director in inspecting apiaries.

Apiary registration

The bill makes the following changes to the requirements governing apiary registration:

1. Increases, from ten to 30 days, the deadline by which a person must register an apiary after the person comes into ownership or possession of bees or moves into Ohio with an apiary;

2. Eliminates the $5 annual registration fee and the $10 late fee for failure to meet the registration deadline;

3. Eliminates the issuance of physical certificates of registration; and

4. Requires any person with a registered apiary to ensure that the apiary is identifiable by identification number assigned to the person via posting in the apiary, rather than only requiring such posting when the person is maintaining an apiary on a premises other than the person's residence as under current law.

Sale or gift of queen bees

The bill makes the following changes regarding the law governing the sale or gift of queen bees:

1. Expands the law to include the sale of packaged bees, nucs, and bee colonies and the trade and distribution of queen bees, packaged bees, nucs, and bee colonies;

2. Requires a person that intends to sell, trade, gift, or otherwise distribute queen bees, packaged bees, nucs, or colonies to file with ODA a request for certification of all of the person's

queen rearing apiaries for which certification is requested, rather than filing a request for inspection as under current law;

3. Requires the request for certification to be accompanied by a certification fee of $50 or an amount set in rules by the ODA Director;

4. Authorizes the ODA Director to require all queen rearing apiaries to be inspected as specified in rules, but at least once each year, rather than requiring inspections once each year with no authority for the Director to alter inspection frequency as under current law;

5. Expands the prohibition against distributing diseased bees to include a prohibition against distributing an apiary with bee pests;

6. Defines a "nuc" as a small colony of bees in a hive box to which all the following applies:

a. The hive box contains three to five frames;

b. The hive box contains a laying queen bee and the queen's progeny in egg, larval, pupa, and adult stages; and

c. The small colony has honey and a viable population sufficient enough to develop into a full-sized colony.

7. Makes conforming changes.

Deputy apiarist

The bill does all the following regarding a deputy apiarist:

1. Allows a board of county commissioners to appoint multiple deputy apiarists, rather than only one as under current law;

2. For purposes of paying a deputy apiarist, requires a board of county commissioners to pay the deputy apiarist for inspection work and expenses related to that work, as the board determines, rather than requiring the board to pay for each day or half day of inspection work done as under current law;

3. Requires the ODA Director to review, rather than approve, a deputy apiarist's salary and expenses;

4. Allows the ODA Director to assign a deputy apiarist to conduct inspections in multiple counties, instead of only the county in which the deputy is appointed as under current law;

5. With respect to the ODA Director's authority to terminate a deputy apiarist, does both of the following:

a. Eliminates the requirement that the Director submit to the county commissioners a statement of the reasons for termination; and

b. Expands the reasons for termination to include unethical or negligent discharge of the deputy's duties. Current law allows a deputy apiarist to be terminated for incompetent, inefficient, or untrustworthy actions in the discharge of the deputy's duties.

6. Regarding reports furnished to the ODA Director by a deputy apiarist, eliminates a requirement that a duplicate of a report be presented to the board of county commissioners each time that a deputy submits a salary or expense reimbursement request.

Enforcement authority

Finally, the bill expands the ODA Director's enforcement authority regarding the Apiary Law to include:

1. Compliance agreements between ODA and a person engaged in queen rearing where the person agrees to comply with stipulated requirements;

2. The authority to suspend any compliance agreement or any registration, certificate, or permit; and

3. The authority to revoke any registration or compliance agreement.

County appropriations for apiary inspections

The bill eliminates a board of county commissioners' authority to appropriate money in an amount it deems sufficient for the inspection of apiaries in its county.

Pork Marketing Program

(R.C. 924.212)

The bill establishes the Pork Marketing Program to promote the sale of pork. It generally applies the same procedures, requirements, and other provisions that exist for the Grain and Soybean Marketing Programs to the new Pork Marketing Program. As part pf the Pork Marketing Program, the bill provides for the establishment of an Operating Committee consisting of the following ten members:

1. Four members appointed by the ODA Director who are pork producers. When making those appointments, the Director must give consideration to Ohio pork producers who are representatives on the National Pork Board.

2. Six members elected by eligible pork producers in accordance with the election procedures that apply to the Grain Marketing Program's Operating Committee, except that the elections must occur by district, with one member elected from each district. The districts are as follows:

a. District 1: Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams counties;

b. District 2: Crawford, Erie, Hancock, Huron, Lucas, Marion, Ottawa, Richland, Sandusky, Seneca, Wood, and Wyandot counties;

c. District 3: Auglaize, Mercer, Hardin, Logan, and Shelby counties;

d. District 4: Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Delaware, Geauga, Harrison, Holmes, Jefferson, Knox, Lake, Licking, Lorain, Mahoning, Medina, Morrow, Portage, Stark, Summit, Tuscarawas, Trumbull, Union, and Wayne counties;

e. District 5: Butler, Darke, Hamilton, Miami, Montgomery, and Preble counties; and

f. District 6: Adams, Athens, Belmont, Brown, Champaign, Clark, Clermont, Clinton, Fairfield, Fayette, Franklin, Gallia, Greene, Guernsey, Highland, Hocking, Jackson, Lawrence, Madison, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Scioto, Vinton, Warren, and Washington counties.

All ten members of the Operating Committee are voting members.

With regard to levying assessments to fund the Pork Marketing Program, the bill requires the Director to levy an assessment on pork producers at the rate of 35¢ per $100 of value at the first point of sale. However, if assessments are levied under the National Pork Checkoff Program created under federal law, no assessments can be levied for the Pork Marketing Program. The bill prohibits the Operating Committee from refunding to a producer any assessments that it collects from the producer.

Food processing establishment exemption

(R.C. 3715.021)

The bill exempts small egg producers from food processing establishment regulations established by the ODA Director in rules. A "small egg producer" is any person that is engaged in the operation of egg production and annually maintains 500 or fewer birds. Generally, current law defines a "food processing establishment" as a premises or part of a premises where food is processed, packaged, manufactured, or otherwise held or handled for distribution to another location or for sale at wholesale. The ODA Director must establish standards and good manufacturing practices for processing establishments in rules. Those rules must conform with federal regulations.

Commercial Feed Law changes

(R.C. 923.42, 923.43, and 923.51)

Current law requires a person that manufactures commercial animal feed or customer-formula animal feed to register with the ODA Director. Generally, the first distributor of a commercial feed must pay a semiannual inspection fee based on the number of net tons distributed during the previous six months that a distributor files in a statement.

The bill makes the following changes regarding commercial feed registration:

1. Clarifies that the registration is annual, not semiannual;

2. Requires a manufacturer or distributor to pay a $50 registration fee by February 1 each year, and states that registration expires on January 31 of the following year;

3. Retains the requirement that the registration form is prescribed by the ODA Director, but eliminates the specific information that must be on the form; and

4. Declares that a commercial feed manufacturer includes an exempt buyer.

In addition, the bill changes the required submission of the commercial feed inspection fee and accompanying annual statement by the first distributor in Ohio from semiannual to annual submission. It also removes the minimum $25 commercial feed inspection fee, which is generally calculated at a rate of 25¢ per ton and, instead, exempts from the fee the first 200 tons

of commercial feed sold in a calendar year. Finally, it states that the penalty for late payment of an inspection fee is 10% of the amount due or $50, whichever is greater, rather than a 10% penalty, with a minimum penalty of $50 as under current law.

Fertilizer license fee

(R.C. 905.32)

The bill makes the following changes to the annual license fee to manufacture or distribute fertilizer:

1. Increases the fee from $5 to $50; and

2. Increases the late renewal fee from $10 to $25.

Current law requires a fertilizer manufacturer or distributor to pay the fee for each fixed (permanent) location at which fertilizer is manufactured in Ohio, each mobile unit used to manufacture fertilizer in Ohio, and each location in and out of the state from which fertilizer is distributed into Ohio.

Commercial seed labeler permit

(R.C. 907.13 and 907.14)

Current law requires a person that labels agricultural, vegetable, and flower seed that is intended for sale in Ohio to be issued a seed labeler permit by the ODA Director. The bill revises the law as follows:

1. It increases the annual commercial seed labeler permit fee from $10 to $50;

2. It changes the permit's annual expiration date from December 31 to January 31;

3. It eliminates one of the semiannual reports required to be filed with the ODA Director by a commercial seed labeler permit holder on the amount of seed the person sells in Ohio, thus requiring one annual report rather than two semiannual reports; and

4. Regarding the annual seed fee paid by a commercial seed labeler permit holder that is based on the amount of seed sold by the permit holder, it eliminates the minimum fee of $5, and instead specifies that if the permit holder owes less than $50 for the seed fee, the permit holder is not required to pay the fee.

Bakery registration fee

(R.C. 911.02)

The bill makes the following changes to the annual bakery registration fees:

1. Increases the fee for bakeries with a capacity to produce 1,000 or fewer pounds of bakery product per hour from $30 to $200;

2. Increases the fee for bakeries with a capacity to produce between 1,000 pounds and approximately 6,667 pounds of bakery product per hour from $30 per 1,000 pounds, or part thereof, per hour capacity to $200; and

3. Reduces the annual bakery registration fee for bakeries with a capacity to produce approximately 6,668 pounds per hour or more of bakery product from $30 per 1,000 pounds, or part thereof, per hour capacity to $200.

Current law requires a person that owns or operates a bakery to annually register with the ODA Director. This registration generally includes an out-of-state bakery that sells bakery products in Ohio.

Soda water syrup or extract and soft drink syrup manufacturer

(R.C. 913.23)

The bill eliminates the registration requirement for soda water syrup or extract manufacturers or soft drink syrup manufacturers. Current law requires a person that sells or has in their possession any soda water syrup or extract or soft drink syrup for use in making or dispensing soda water or other soft drinks to annually register with the ODA Director. This requirement excludes manufacturers that are otherwise licensed as soft drink bottlers. The person must include a $100 fee and specified information with the registration, including the trade name or brand of soda water or soft drink.

Cold storage locker license fee

(R.C. 915.16)

The bill increases the annual license fee for cold storage lockers from $50 to $200. Current law requires any person operating a frozen food manufacturing facility, chill room, sharp freezing room and facilities, or sharp freezing cabinet to apply for a license. This requirement excludes a person operating a cold-storage warehouse licensed by ODA.

Nurseryperson inspection fee

(R.C. 927.53)

Current law requires a nurseryperson (a person that owns, leases, or manages a plant nursery) that produces, sells, offers for sale, or distributes woody nursery stock in Ohio or ships woody nursery stock outside Ohio to pay the ODA Director an annual inspection fee. The bill does the following regarding that inspection fee:

1. Increases the base annual inspection fee from $100 to $200;

2. Increases the additional per-acre inspection fee for growing woody nursery stock in intensive production areas (greenhouses, liner or lath beds, and containers) from $11 per acre, or fraction of an acre, to $15 per acre, or fraction of an acre; and

3. Increases the additional per-acre inspection fee for growing woody nursery stock in nonintensive production areas (fields) from $7 per acre, or fraction of an acre, to $10 per acre, or fraction of an acre.

Annual liming material tonnage report

(R.C. 905.56, repealed and 905.57)

The bill eliminates the annual tonnage report, and the accompanying inspection fee, that a liming material licensee must file with ODA for the number of net tons of liming material sold or distributed to nonlicensees in Ohio. As a result of the elimination of the annual tonnage report, it eliminates the confidentiality of the information in the report.

Current law requires a person that manufactures, sells, or distributes liming material in Ohio to obtain an annual license from ODA. Liming material is used by farmers to neutralize soil acidity and provide crops with calcium and magnesium. A licensee must file with ODA an annual tonnage report that includes the number of net tons of liming material sold or distributed to a nonlicensee in Ohio. The licensee must file the report annually within 40 days of December 31.

Certificate of free sale

(R.C. 901.43)

The bill allows the ODA Director to authorize any ODA division or program to issue a certificate of free sale to any entity. A "certificate of free sale" is a document issued by the Director that certifies to states and countries receiving a listed product that the product being exported is freely marketed without restriction in the U.S.

The ODA Director must adopt and enforce rules in accordance with the Administrative Procedure Act to provide for the issuance of the certificates of free sale. The Director may charge a $50 fee for issuance of a certificate. All money collected related to issuing certificates of free sale must be credited to the appropriate program fund administered by ODA.

Ohio Grape Industries Committee

(R.C. 924.51; Section 709.10)

The bill makes the following changes to the existing Ohio Grape Industries Committee:

1. Removes the Chief of the Division of Markets of ODA; and

2. Adds two additional members who are residents and appointed by the ODA Director. The initial term for the one new member is one year and the term for the other new member is two years.

Generally, the Committee promotes Ohio's grape industry, including marketing and advertising Ohio grape products.

High-volume dog breeder kennel and pet store funds

(R.C. 956.18 and 956.181, repealed; conforming changes to R.C. 956.07, 956.10, 956.13, 956.16, 956.21, 956.22, and 956.23)

The bill renames the existing High-Volume Breeder Kennel Control License Fund the Commercial Dog Breeding Fund. It also abolishes the Pet Store License Fund and requires all pet store license fees and civil penalties to be credited to the Commercial Dog Breeding Fund. Thus, all money collected from fees and civil penalties under the law governing high-volume dog

breeders and pet stores are credited to the Commercial Dog Breeding Fund and must be used to administer those laws.

Current law establishes requirements and procedures for high-volume dog breeders and pet stores. These requirements include separate licensure and separate standards of care for dogs in the care of a breeder or pet store. The ODA Director has enforcement authority over high-volume dog breeders and pet stores, including inspection and assessment of civil penalties.

Captive cervid licensing

(R.C. Chapter 944, including renumbering R.C. 943.20 to 943.25, 943.01, and 943.26; conforming changes in R.C. 1533.71, 1533.721, 1533.731, and 1533.77)

The bill eliminates the requirement that owners who propagate captive deer in a facility be licensed as a livestock dealer and instead creates a new regulatory scheme for these facility owners and owners of any type of cervid (which is defined as deer, moose, and elk, and their hybrids) as follows:

1. Requires all owners of a captive cervid facility to be licensed annually by the ODA Director if they own or propagate cervids;

2. Requires the Director, prior to issuing a license, to inspect the applicant's facility and specifies appeal procedures if the applicant fails the inspection;

3. Establishes an annual $50 license and renewal fee for each captive cervid facility, which is deposited into the existing Animal and Consumer Protection Fund; and

4. Allows the existing Animal and Consumer Protection Fund to be used for captive cervid regulatory purposes.

However, the bill also generally retains all the following current law authority and requirements:

- Rulemaking authority that currently applies to captive cervids, including authority to adopt rules governing health monitoring, disease testing, and recordkeeping of monitored captive cervid, captive cervid with status, and captive cervid with certified chronic wasting disease status;
- All testing requirements applicable to captive cervid;
- The requirement that the ODA Director take actions that the Director determines are necessary to mitigate or eliminate the presence of chronic wasting disease or other disease at a facility owned by a captive whitetail cervid licensee under certain conditions;
- The requirement that a facility owner obtain both a captive cervid facility license under the bill's new regulatory scheme in addition to a captive whitetailed deer propagation license if the person owns or propagates captive cervid with status or captive cervid with certified chronic wasting disease;
- The requirement that a facility owner obtain both a captive cervid facility license under the bill's new regulatory scheme in addition to a wild animal hunting preserve license if the person operates a wild animal hunting preserve on which monitored captive cervid,

captive cervid with status, or captive cervid with certified chronic wasting status are released and hunted;

- Civil penalties; and
- The authority for the ODA Director or the Director's authorized representative to enter at reasonable times on the premises of a captive whitetail cervid licensee to conduct investigations and inspections or to otherwise execute duties that are necessary for the administration and enforcement of the law governing captive cervids.

Livestock dealers

(R.C. 943.04, 943.26, 943.27, and 943.99, conforming change in R.C. 901.43)

Fees

The bill alters the fees charged by ODA to livestock dealers and brokers as follows:

Livestock dealer and broker fee changes			
Type of fee	**Current fee**	**New fee under H.B. 96**	**Amount of change**
Annual dealer and broker license renewal – less than 1,000 head transactions the previous year	$50	Flat $250 regardless of livestock transactions	$200 increase
Annual dealer and broker license renewal – between 1,001 and 10,000 head transactions the previous year	$125	Flat $250 regardless of livestock transactions	$125 increase
Annual dealer and broker license renewal – more than 10,000 head transactions the previous year	$250	Flat $250 regardless of livestock transactions	No change
Small dealer annual license fee	$25	$50	$25 increase
Late fee for small dealer annual license renewal	$25	$100	$75 increase

Livestock dealer and broker fee changes			
Type of fee	**Current fee**	**New fee under H.B. 96**	**Amount of change**
Employee of a small dealer, dealer, or broker – annual license fee	$20	$30	$10 increase
Licensed weigher annual license fee	$10	$30	$20 increase

The bill directs the livestock dealer and broker fees to the Animal and Consumer Protection Fund instead of the Animal and Consumer Protection Laboratory Fund as in current law (see below).

Civil penalties

The bill eliminates the first degree misdemeanor criminal penalties for violation of any prohibition of the law governing livestock dealers and brokers, except for improperly weighing or accepting bribes by a livestock weigher. Instead, it allows the ODA Director to assess a civil penalty for the violation as follows:

1. Up to $500 for a first violation within the five years;

2. Up to $2,500 for a second violation within the previous five years; and

3. Up to $10,000 for a third or subsequent violation within the previous five years.

Accordingly, the bill directs the proceeds of civil penalties to the Animal and Consumer Protection Fund.

Animal and Consumer Protection Fund

(R.C. 901.43, 904.02, 904.04, 935.06, 935.07, 935.09, 935.10, 935.16. 935.17, 935.20, 935.24, 943.04, 943.16, 943.23, and 943.26)

The bill eliminates the Livestock Care Standards Fund and Dangerous and Restricted Animal Fund and redirects the money credited to those funds to the existing Animal and Consumer Protection Fund. It also redirects money collected from livestock dealer and broker fees and fines imposed for violating the law governing livestock dealers from the Animal and Consumer Protection and Laboratory Fund to the Animal and Consumer Protection Fund. Finally, it adds that the Animal and Consumer Protection Fund must be used to administer the laws governing dangerous wild animals and restricted snakes, livestock dealers, and captive cervid.

Food Safety Fund

(R.C. 915.24)

The bill requires money received from federal contracts or cooperative agreements for the performance of ODA's prescribed duties related to food safety inspections to be deposited

into the Food Safety Fund (Fund 4P70). Under current law, these grants are deposited into a general federal grant fund in which all federal grants to ODA are deposited.

High Blend Ethanol Rebate pilot

(Sections 211.10, 211.20, and 757.100)

The bill requires ODA to create and administer a pilot High Blend Ethanol Rebate Program to incentivize the sale of gasoline blended with 15% ethanol or higher by volume ("qualifying blended fuel"). The program applies to qualifying blended fuel that is sold by a motor fuel retailer after the bill's effective date at locations that have not sold that type of fuel previously. Under the program, a motor fuel retailer may receive a rebate of 5¢ per gallon of qualifying blended fuel sold, up to $100,000 per fiscal year.

ODA must develop an application process for the rebates and establish any required supporting documents. Additionally, it may adopt rules as necessary to implement and administer the program, in accordance with the Administrative Procedure Act (R.C. Chapter 119). Any motor fuel retailer that receives a rebate through the program must provide quarterly reports to ODA, including the volume of qualifying blended fuel sold and any other information necessary for evaluation and oversight.

The bill appropriates $10 million in FY 2026 for the program and reappropriates any unexpended and unencumbered portion for the same purpose in FY 2027.

AIR QUALITY DEVELOPMENT AUTHORITY

- Eliminates any property or portion thereof that is part of, or related to the siting of, the inactive FutureGen project of the U.S. Department of Energy from the definition of "air quality facility" under the OAQDA Law.
- Adds any property, device, or equipment comprising a facility generating green energy, as defined in the competitive retail electric service law, to the definition of "air quality facility."

OAQDA definitions

(R.C. 3706.01)

The bill eliminates any property or portion thereof that is part of, or related to the siting of, the inactive FutureGen project of the U.S. Department of Energy from the definition of "air quality facility" under the OAQDA Law.

It adds any property, device, or equipment comprising a facility generating green energy to the definition of "air quality facility." "Green energy" is defined in the existing competitive retail electric service law as any energy generated by using an energy resource that does one or more of the following: (1) releases reduced air pollutants, thereby reducing cumulative air emissions and (2) is more sustainable and reliable relative to some fossil fuels. "Green energy" includes energy generated by using natural gas as a resource and nuclear reaction.[14]

Under current law, air quality facilities, which are eligible for funding from OAQDA, are facilities designed to control air pollution and thermal pollution.

[14] R.C. 4928.01(A)(43). The definition of "green energy" was amended by H.B. 308 of the 135th General Assembly in 2024.

ATTORNEY GENERAL

Special prosecutor for correctional institution offenses

- Allows the Attorney General to appoint a special prosecutor for the prosecution of offenses perpetrated in facilities operated by the Department of Rehabilitation and Correction.

Peace officer refresher training

- Prevents the expiration of peace officer certification due to a lapse in employment and specifies the training required upon reinstatement after a lapse.

Age verification – obscenity or matter harmful to juveniles

- Requires an organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to juveniles to verify that any person attempting to access or creating an account or subscription to access those materials to juveniles is 18 or older through reasonable age verification methods.
- Requires an organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to juveniles and that uses age verification to delete identifying information of any person attempting to access or creating an account or subscription to access those materials or performances after age verification is completed.
- Exempts persons employed by newspapers, magazines, television stations, or similar media and certain service providers disseminating information for the general public from fulfilling the age verification requirement.
- Allows the Attorney General to bring a cause of action against an organization that fails to verify the age of the minor that accessed the materials that were harmful to juveniles on the internet.

Special prosecutor for correctional institution offenses

(R.C. 109.39)

The bill allows the Attorney General to appoint a special prosecutor to prosecute offenses committed in facilities operated by the Department of Rehabilitation and Correction. The bill allows this special prosecutor to proceed with the prosecution of the violation with all rights, privileges, and powers conferred by law on a prosecuting attorney, including the power to appear before a grand jury and to interrogate witnesses before a grand jury.

Peace officer refresher training

(R.C. 109.73 and 109.77)

The bill prevents a certificate awarded by the Executive Director of the Peace Officer Training Commission attesting to a person's satisfactory completion of an approved peace officer

basic training program from expiring because of a lapse in employment as a peace officer. Instead, a certificated peace officer who has not been employed as a peace officer for at least one year must complete refresher training of the following durations, prior to reappointment as a peace officer:

- If the period of lapse was at least one year, but less than four years, up to 40 hours.
- If the period of lapse was four years or longer, 80 hours.

Under continuing law, a certificate awarded by the Executive Director attesting to a person's satisfactory completion of an approved peace officer basic training program is required for appointment as a peace officer or law enforcement officer.

Age verification – obscenity or matter harmful to juveniles

Requirements

(R.C. 1349.10)

The bill requires an organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to juveniles on the internet to do all of the following:

- Verify that any person attempting to access the material or performance is age 18 or older through reasonable age verification methods;
- Verify that any person creating an account or subscription to access any material or performance that is obscene or harmful to juveniles is age 18 or older through reasonable age verification methods. The organization must reverify the age of the person every two years after the completion of age verification.
- Utilize a geofence system maintained and monitored by a licensed location-based technology provider to dynamically monitor the geolocation of persons attempting to access or creating an account or subscription to access the material or performance that is obscene or harmful to juveniles.
  - The location-based technology provider must perform a geolocation check to dynamically monitor the person attempting to access or creating an account or subscription to access the material or performance that is obscene or harmful to juveniles and the person's location.
  - If the location-based technology provider determines that a person is in Ohio, the organization must block that person until that person's age has been verified using reasonable age verification methods.
- Implement a notification mechanism to alert persons attempting to access or creating an account or subscription to access the material or performance of a geolocation failure check.

The bill also requires an organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to

juveniles on the internet and verifies the age of the person creating an account or subscription to access the material or performance that is obscene or harmful to juveniles on the internet to do the following:

- Immediately delete all information gathered for the purpose of age verification after the age verification is completed, except the information maintained for account and subscription access and for billing purposes.
- Upon the request of the account holder or subscriber, immediately delete the data maintained for user access to the account or subscription and for billing purposes.
- Develop and maintain a data privacy policy compliant with federal and Ohio law and maintain data in a manner that is reasonably secure.

On the expiration of two years after the creation of the account or subscription, the organization must immediately delete all information relative to the creation of the user's account or subscription and any information maintained for billing purposes, unless the account holder or subscriber renews the account or subscription.

An organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to juveniles on the internet and verifies the age of the person attempting to access the material or performance that is obscene or harmful to juveniles on the internet must do both of the following:

- Immediately delete all information gathered for the purpose of age verification after age verification is completed;
- Develop and maintain a data privacy policy compliant with federal and Ohio law and maintain data in a manner that is reasonably secure.

The bill requires the organization to immediately delete any identifying information, except the information required for the purpose of granting a person access to the account or subscription and for billing the account or subscription, that is used for age verification of the person attempting to access or creating an account or subscription to access any material or performance on the internet that is obscene or harmful to juveniles after age verification is completed. The organization must not transfer any information collected, except for the purpose of age verification. Any party who receives transferred information for age verification purposes must immediately delete all information gathered for the purpose of age verification after age verification is completed.

Exemptions

The bill provides exemptions for certain persons and providers. The requirements described above do not apply to the following persons or entities:

- A person who, while employed or contracted by a newspaper, magazine, press association, news agency, news wire service, radio or television station, or similar media, is gathering, processing, transmitting, compiling, editing, or disseminating information for the general public;

- Providers of an interactive computer service;
- A mobile service;
- An internet provider;
- A cable service provider;
- A direct-to-home satellite service;
- A video service provider;
- A cloud service provider.

Attorney General enforcement action

(R.C. 1349.101)

The bill allows the Attorney General to bring a civil action against an organization that sells, delivers, furnishes, disseminates, provides, exhibits, or presents any material or performance that is obscene or harmful to juveniles on the internet that fails to comply with the requirements described above and because of that failure, a minor gains access to the material or performance. Before initiating the action, the Attorney General must provide written notice to the organization identifying and explaining the basis for each instance of the alleged violation.

The Attorney General cannot commence an enforcement action if the organization, within 45 days after notice of the alleged violation is sent, does both of the following unless otherwise provided in the requirements above:

- Cures all violations described in the notice;
- Provides the Attorney General with a written statement indicating that the violations are cured and agreeing to refrain from further noncompliance of the requirements.

If the organization does not timely respond or continues to fail to comply with the requirements described above after receiving the notice, the Attorney General may initiate the enforcement action and seek injunctive relief.

If the organization fails to timely comply with all of the requirements described in the notice or commits subsequent violations of the same type after curing the initial violation under that division, the Attorney General can commence an enforcement action. Notwithstanding the information retention requirements, if an organization commits a subsequent violation of the same type after reporting that the initial violation is cured, the Attorney General may bring a civil action at any time after sending notice of the violation. The provisions described above cannot be construed to provide a private right of action. The Attorney General has the exclusive authority to enforce the age verification requirements within the bill.

DEPARTMENT OF BEHAVIORAL HEALTH

Renaming the Department and Director

- Changes the name of the Department of Mental Health and Addiction Services to the Department of Behavioral Health (DBH).
- Changes the name of the Director of Mental Health and Addiction Services to the Director of Behavioral Health.

Summary suspension of residential facilities licensed by DBH

- Allows DBH to suspend the license of a Class 1 residential facility serving children without a prior hearing for specified reasons primarily related to actual harm or the risk of harm to a child under the care and supervision of the facility.

Grounds for disciplinary action

- Consolidates the reasons for which DBH may impose disciplinary actions against facilities and service providers by allowing the actions to be taken on the same grounds at any time, either when an initial license or certification is sought or after it has been received.

Notice of adverse actions taken by other regulators

- Extends the duty to report adverse actions to DBH by also requiring reports to be made of adverse actions taken against a subsidiary of an applicant or specified associates.
- Specifies that "adverse action," in the context of which regulatory actions must be reported to DBH, does not include disciplinary actions taken by DBH itself.
- Permits DBH to impose sanctions based on adverse actions not only when it receives a required notice, but also when it otherwise becomes aware of an adverse action, as long as the action was taken in the preceding three-year period.

Subsidiaries of opioid treatment programs

- Requires a subsidiary of an opioid treatment program provider or a subsidiary of the provider's owner or sponsor to have been in good standing to operate an opioid treatment program in all other locations during the three-year period preceding application for licensure.

Certified community behavioral health clinics

- Permits DBH to establish a process and standards for the state certification of federally certified community behavioral health clinics (CCBHCs) if there is sufficient state and federal funding available.
- Requires DBH to determine, in the absence of sufficient funding to certify CCBHCs, how an integrated care approach for the provision of substance use disorder (SUD) and mental health treatment could be implemented through pilot projects or other initiatives.

Statewide mobile crisis system

- Requires DBH to coordinate with other government entities to assist with the development and implementation of a statewide system of mobile crisis services, if there is sufficient state and federal funding available.
- Requires DBH to determine, in the absence of sufficient funding for a statewide system of mobile crisis services, how pilot programs or other initiatives for mobile crisis services could be implemented.

Behavioral health block grants

- Permits DBH to use GRF for block grants that provide flexibility for ADAMHS boards to provide harm reduction, prevention, SUD treatment, mental health treatment, recovery supports, and crisis services.
- Requires the DBH Director to establish block grant distribution methodologies, allowable uses of block grants, and a uniform reporting structure regarding the expenditures, uses, and outcomes of the block grants.

Community innovations

- Requires the DBH Director to identify programs, projects, or systems where targeted financial investments may decrease demand for DBH services and improve outcomes for Ohioans with mental illnesses or addictions.

Recovery housing – confidentiality of investigative materials

- Establishes confidentiality requirements regarding complaints and information received or generated by DBH in the investigation of complaints involving recovery housing residences.
- Allows for disclosure of complaint information in identified circumstances.

Patient billing in state-operated psychiatric hospitals

- Permits DBH to calculate the amount it bills for care in a DBH-operated hospital according to the hospital's ancillary per diem rate, if DBH determines that the ancillary per diem rate applies instead of the hospital's per diem charge.
- Requires, if a patient has health benefits that cover less than the calculated charge, that the patient (or the patient's estate or liable relatives) pay the lesser of: (1) the balance that remains or (2) the amount that applies after DBH takes into consideration the patient's eligibility for existing discounts and other payment reductions.

Behavioral Health Drug Reimbursement Program

- Changes the funding model used by the Behavioral Health Drug Reimbursement Program from one that is solely reimbursement to one of financial assistance.

VOIP service immunity

- Exempts, except for willful or wanton misconduct, voice over internet protocol (VOIP) service providers from liability in a civil action for damages resulting from their acts or omissions in connection with the 9-8-8 Hotline.

DBH Trust Fund

- Eliminates authorization to transfer unexpended, unencumbered balances of DBH's GRF appropriations to the DBH Trust Fund.

Data sharing

- Requires DBH and the Department of Medicaid, in collaboration with ADAMHS boards, to develop a three-way data-sharing agreement to mutually exchange and access data and other information regarding clients receiving addiction services, mental health services, or both.
- Enumerates information that the data-sharing agreement must address.

High-THC cannabis impact research study

- Requires DBH to collaborate with the Department of Commerce and a public university or research consortium to assess cannabis regulation and the health risks and benefits of cannabis use.
- Requires DBH to submit a report to the Governor and General Assembly by June 30, 2026, and June 30, 2027, and to publish the report on its website.

Ibogaine Treatment Study Committee

- Establishes the Ibogaine Treatment Study Committee to evaluate the use of ibogaine for treating individuals with substance use disorders and veterans with post-traumatic stress disorder, depression, and mild traumatic brain injuries.
- Requires the committee to submit a report with recommendations for legislation addressing the use of ibogaine to the General Assembly by December 31, 2027, after which the committee is dissolved.

Renaming the Department and Director

(R.C. 121.02 and 5119.011; conforming changes in numerous R.C. sections)

The bill changes the name of the Department of Mental Health and Addiction Services to the Department of Behavioral Health (DBH). In turn, the Director of Mental Health and Addiction Services is renamed the Director of Behavioral Health.

Whenever the Department or Director of Mental Health and Addiction Services is referred to or designated in any statute, rule, contract, grant, or other document, the bill requires that the reference or designation be construed as the Department or Director of Behavioral Health, respectively.

This analysis will use the proposed new names, and their corresponding acronyms, when referencing the Department or Director. This applies to discussions of both current law and provisions of the bill.

Summary suspension of residential facilities licensed by DBH

(R.C. 5119.34 and 5119.344)

The bill allows DBH to suspend the license of a Class 1 residential facility that serves children without a prior hearing. Under existing law, unchanged by the bill, a Class 1 residential facility provides accommodations, supervision, and personal care services for one or more unrelated adults with mental illness or one or more unrelated children or adolescents with severe emotional disturbances.[15]

The bill specifies the following as circumstances for suspension:

- A child suffers a serious injury or dies while residing in the residential facility.
- DBH, a public children services agency (PCSA), or a county department of job and family services determines that a principal, employee, volunteer, or nonresident occupant of the residential facility created a serious risk to the health or safety of a child residing in the facility that resulted in or could have resulted in a child's death or injury.
- A principal, employee, resident, volunteer, or nonresident occupant of the facility was charged by an indictment, information, or complaint with an offense relating to the death, injury, or sexual assault of another person that occurred on facility premises.
- A principal, employee, volunteer, or nonresident occupant of the facility was charged by an indictment, information, or complaint with an offense relating to the death, injury, or sexual assault of a child residing in the facility.
- A PCSA receives a report of abuse or neglect and the person alleged to have inflicted abuse or neglect on the child and is the subject of the report is either of the following:
  - A principal of the residential facility;
  - An employee of the residential facility who has not been immediately placed on administrative leave or released from employment.
- The residential facility is not in compliance with administrative rules pertaining to background investigations for owners, operators, employees, and other specified individuals.

The bill defines a "principal" as an owner, operator, or manager of a Class 1 residential facility.

If DBH suspends a license without a prior hearing, the agency must comply with existing law notice requirements, and the owner of the facility may request an adjudicatory hearing.

[15] R.C. 5119.34(B)(1)(a).

Notice and hearing must be conducted pursuant to the Administrative Procedure Act. If a hearing is requested and DBH does not issue its final adjudication order within 120 days after the suspension, the suspension is void on the 121st day, unless the hearing is continued on agreement by the parties or for good cause.

A summary suspension remains in effect until any of the following occurs:

- The PCSA completes its investigation of the report of abuse and neglect and determines that all of the allegations are unsubstantiated.
- All criminal charges are disposed of through dismissal or a finding of not guilty.
- DBH issues a final order terminating the suspension in accordance with the Administrative Procedure Act.

The bill prohibits a residential facility from placing children in the facility while a summary suspension remains in effect. Upon issuing the order of suspension, DBH must place a hold on the facility's license or indicate that the license is suspended in the Statewide Automated Child Welfare Information System.

The bill allows the DBH Director to adopt rules in accordance with the Administrative Procedure Act to establish standards and procedures for the summary suspension of licenses. The bill also specifies that these provisions do not limit DBH's authority to take other actions, such as issuing an order suspending the admission of residents to a residential facility, refusing to issue or renew a license for a facility, or revoking a facility's license under existing law adjudication procedures.

Grounds for disciplinary action

(R.C. 5119.33, 5119.34, 5119.36, and 5119.99)

Current law permits DBH to issue a license to operate a hospital for the treatment of persons with mental illness or a residential facility, or to issue a certificate for certifiable services and supports, if the applicant can demonstrate the availability of adequate staff and equipment and DBH has not been notified or is not otherwise aware of relevant adverse action taken against the applicant or certain associates of the applicant. Instead, the bill consolidates this requirement with other existing disciplinary provisions to allow DBH to deny, refuse to renew, or revoke a license for the aforementioned reasons.

Notice of adverse actions taken by other regulators

(R.C. 5119.33, 5119.334, 5119.34, 5119.343, 5119.36, and 5119.367)

When submitting an application for initial or renewed hospital licensure, residential facility licensure, or certifiable services and supports certification, an applicant is currently required to notify DBH of any adverse action taken against a specified entity or associate of the applicant within the preceding three years. For hospital licensure this includes the hospital and any owner, sponsor, medical director, administrator, or principal of the hospital. For residential facility licensure this includes the residential facility and any owner, operator, or manager of the

facility. For certifiable services and supports certification, this includes the applicant and any owner or principal of the applicant.

The bill extends this requirement to also include the reporting of adverse action taken within three years against any subsidiary of a hospital, owner, or sponsor; residential facility, owner, or operator; or applicant or owner for hospitals, residential facilities, and certifiable services and supports respectively. The bill also specifies that adverse action taken by DBH is not included in the reporting requirement, as DBH would already have a record of the action.

Current law permits DBH to refuse to issue a license or certification if adverse action was taken during the three-year period immediately preceding the date of application. The bill expands the potential to act on adverse action by allowing DBH to refuse to issue, refuse to renew, or revoke a license for adverse action taken during the three-year period immediately preceding the date of notification or date of becoming aware of the adverse action.

Subsidiaries of opioid treatment programs

(R.C. 5119.37)

Current law requires a provider seeking a license to operate an opioid treatment program and any owner, sponsor, medical director, administrator, or principal of the provider to have been in good standing to operate an opioid treatment program in all other program locations during the three-year period preceding the date of application. The bill additionally requires a subsidiary of the provider or a subsidiary of the provider's owner or sponsor to have been in good standing to operate an opioid treatment program for that time period.

Certified community behavioral health clinics

(R.C. 5119.211; Section 337.200)

The bill permits DBH to establish a process and standards for the state certification of federally certified community behavioral health clinics (CCBHCs). CCBHCs are designed to ensure access to coordinated comprehensive behavioral health care. CCBHCs provide 24/7 crisis services, comprehensive behavioral health services that help people avoid seeking support across multiple providers, and care coordination that helps people navigate behavioral health care, physical health care, and social services.

If DBH begins certifying CCBHCs, the Department may coordinate with local, state, and federal government entities for the development and establishment of the clinics. The DBH Director may adopt rules as necessary for the certification of CCBHCs.

DBH may certify CCBHCs only if there is adequate state and federal funding available. If funding is insufficient for the certification of CCBHCs, DBH must determine whether and to what extent pilot projects or other initiatives could be implemented to support an integrated care approach for the provision of substance use disorder (SUD) and mental health treatment.

Statewide mobile crisis system

(Section 337.190)

The bill requires DBH to work with local, state, and federal government entities to develop and implement a statewide system of mobile crisis services for adults and children. The development of this statewide system is contingent on the availability of state and federal funding. If there is not sufficient funding for a full system, DBH must determine how pilot projects or other initiatives for the provision of mobile crisis services could be implemented.

Behavioral health block grants

(Section 337.20)

The bill permits DBH to use GRF for the creation of block grants for boards of alcohol, drug addiction, and mental health services (ADAMHS boards). The block grants are intended to provide flexibility for ADAMHS boards to disburse funds to behavioral health providers to provide harm reduction, prevention, SUD treatment, mental health treatment, recovery supports, and crisis services in local communities. There are six separate block grants that may be created, and the Director of DBH is responsible for establishing allowable uses for each type of block grant. The six types of block grants and suggested allowable uses are presented in the table below.

Behavioral health block grants		
Block grant	**Purpose**	**Suggested allowable uses**
Prevention State Block Grant	Provision of evidence-based or evidence-informed early intervention, suicide prevention, and other prevention services.	▪ Prevention across the lifespan; ▪ Suicide prevention across the lifespan; ▪ Early intervention; ▪ Cross-system collaboration to address prevention needs in the community.
Crisis Services State Block Grant	Provision of crisis services and supports.	▪ Substance use and mental health crisis stabilization centers; ▪ Crisis stabilization and crisis prevention services and supports; ▪ Cross-systems collaborative efforts to address crisis services needs in the community.
Mental Health State Block Grant	Provision of mental health services and recovery supports.	▪ Mental health services, including the treatment of indigent mentally ill persons subject to court order in hospitals or inpatient units. In selecting providers, the bill prohibits ADAMHS boards from refusing to contract with any local hospital

Behavioral health block grants		
Block grant	**Purpose**	**Suggested allowable uses**
		or inpatient unit that is willing to accept the board's contract terms; ▪ Cross-system collaborative efforts to serve adults with serious mental illnesses who are involved in multiple human services or criminal justice systems; ▪ Other initiatives designed to address mental health needs.
Substance Use Disorder State Block Grant	Provision of alcohol and drug addiction services and recovery supports.	▪ Initiatives concerning alcohol and drug addiction services; ▪ Substance use stabilization centers; ▪ Cross-system collaborative efforts to address SUD needs in the community.
Recovery Supports State Block Grant	Provision of recovery supports.	▪ Subsidized support to meet the psychotropic and SUD treatment medication needs of indigent citizens in the community to reduce unnecessary hospitalization due to lack of medication; ▪ Peer support; ▪ Operational expenses and minor facility improvements for class two and class three residential facilities and recovery housing residences; ▪ Community integration supports; ▪ Cross-system collaborative efforts to address recovery support needs in the community.
Criminal Justice State Block Grant	Provision of services and supports to incarcerated individuals and individuals being discharged from prisons and jails.	▪ Medication-assisted treatment (MAT) and treatment involving drugs used in withdrawal management or detoxification; ▪ Community reintegration supports; ▪ SUD treatment and mental health treatment, including the provision of such treatment as an alternative to incarceration, as well as recovery supports;

Behavioral health block grants		
Block grant	**Purpose**	**Suggested allowable uses**
		▪ Forensic monitoring and tracking of individuals on condition release; ▪ Forensic and crisis response training; ▪ Projects that assist courts and law enforcement in identifying and developing appropriate alternative services to incarceration for nonviolent offenders with mental illnesses; ▪ Services to incarcerated individuals with SUD, severe mental illness, or both, including screening and clinically appropriate treatment; ▪ Linkages to, and the provision of, SUD treatment, mental health treatment, recovery supports, and specialized re-entry services for incarcerated individuals leaving prisons and jails; ▪ Support of specialized dockets, including the expansion of existing MAT drug court programs, the creation of new MAT drug court programs, and assistance with the administrative expenses of participating courts, community addiction services providers, and community mental health services providers; ▪ Cross-system collaborative efforts to address the needs of individuals involved in the criminal justice system.

The DBH Director is responsible for creating methodologies to guide the distribution of block grant funds to ADAMHS boards. The Director must consider population indicators, poverty rates, health workforce shortage statistics, relevant emerging behavioral health trends, and the amount of FY 2025 awards made to each ADAMHS board for related programs.

The Director must also create a uniform reporting structure to track the expenditures, uses, and outcomes of the block grants and how the expenditures, uses, and outcomes are tied to the ADAMHS boards' community plans. Certain data points must be collected, including data regarding expenditures, types of services provided and number of individuals served, provider determination and monitoring activities, and performance indicators and outcomes. The data

must be made available in accordance with Ohio data governance best practices and federal and state security standards.

Community innovations

(Section 337.100)

The bill requires the DBH Director to evaluate programs, projects, or systems operated at least partly outside of the Department where a targeted financial investment is expected to decrease demand for DBH or other state resources or measurably improve outcomes for Ohioans with mental illnesses or addictions. The Director is responsible for selecting private not-for-profit entities to receive funds. Each recipient must enter into an agreement with DBH identifying allowable expenditures of funds, other commitment of funds or other resources, expected state savings or improved outcomes and the proposed mechanisms for such savings or outcomes, and required reporting regarding expenditures and outcomes.

Additional funds are appropriated to support workforce development initiatives, provide behavioral health access and opportunities, support peer-run organizations, and coordinate care across the behavioral health continuum.

Recovery housing – confidentiality of investigative materials

(R.C. 5119.393 and 5119.394)

The bill establishes confidentiality requirements regarding complaints and information received or generated by DBH or its contractors during the investigation of complaints involving recovery housing residences. Complaints and information determined to be confidential under the bill are not considered public records, are exempt from the laws governing state and local agencies' personal information systems (R.C. Chapter 1347), and are not subject to discovery in any civil action.

Confidential complaints and information may be disclosed in the following circumstances:

- When required by law;
- When shared with other regulatory agencies or officers;
- When admitted into evidence in a criminal trial or administrative hearing if appropriate measures are taken to ensure confidentiality; and
- When included by reference as part of DBH's registry of recovery housing residences, as long as DBH makes its best effort to protect confidentiality.

Patient billing in state-operated psychiatric hospitals

Calculation of base charge

(R.C. 5121.33; conforming changes in R.C. 5121.30, 5121.32, 5121.34, and 5121.41)

Regarding the methodology that DBH follows in determining how much a patient, patient's estate, and liable relative must be charged for each day of care and treatment received in a DBH-operated hospital for mental illnesses, the bill makes the following modifications:

- Allows the amount to be calculated by multiplying the number of days of admission by whichever of the following DBH determines applies: the hospital's per diem charge or its ancillary per diem rate. (Current law requires DBH to use only the per diem charge when making the calculation. DBH must determine both types of rates, but the ancillary rate is currently used only when calculating the discounted charges for care provided beyond 30 days to patients with incomes between 175% and 400% of the federal poverty level.)
- Removes the requirement to add any unpaid amounts to the charges calculated for each billing cycle. (The collection of delinquent payments is accounted for in a separate provision of current law.[16])

Coordination with health benefits

(R.C. 5121.43)

Regarding a patient in a DBH-operated hospital who has a health insurance policy or contract with coverage of hospital-based mental health services, the bill maintains the duty of the patient to assign to DBH all payments that may be received for care and treatment in the hospital. Current law, however, does not expressly address what occurs if the payments received through health benefits do not cover the full amount that DBH calculates as the hospital's base charge, as described above.

Under the bill, if the amount received through health benefits is less than DBH's calculated base charge, the patient (or the patient's estate or liable relatives) must pay the lesser of the following:

- The amount of the base charge that remains after subtracting the amount received through health benefits;
- The amount of the base charge that applies after DBH takes into consideration any of the discounts and other payment reductions that may be offered under existing law to a patient, according to a financial assessment of the patient's assets and annual income.

The bill eliminates a corresponding provision under which a patient with health benefits is ineligible for DBH's discounts and other payment reductions while the patient's insurance policy or other contract is in force.

Behavioral Health Drug Reimbursement Program

(R.C. 5119.19)

DBH operates the Behavioral Health Drug Reimbursement Program, which provides state funds to counties for the cost of certain drugs provided to inmates of county jails, including psychotropic drugs, drugs used in medication-assisted treatment, and drugs used in withdrawal management or detoxification. The bill changes the program's funding model, which is currently limited to a system of reimbursement. The bill, instead, authorizes a model of financial assistance,

[16] See R.C. 5121.45, not in the bill.

where allocations of state funds may be provided either before or after the cost of the drugs is incurred.

VOIP service immunity

(R.C. 5119.85)

The bill explicitly exempts, except for willful or wanton misconduct, voice over internet protocol (VOIP) service providers and other affiliated persons from liability in a civil action for damages resulting from their acts or omissions in connection with the 9-8-8 Hotline.

Under current law, except for willful or wanton misconduct, a telephone company and any other installer, maintainer, or provider, through the sale or otherwise, of customer premises equipment, or service used for or with the 9-8-8 Hotline, and their respective officers, directors, employees, agents, suppliers, corporate parents, and affiliates are not liable in damages in a civil action for injuries, death, or loss to persons or property incurred by any person resulting from the covered entities' or affiliated persons' participation in, or acts or omissions connected with participating in or developing, maintaining, or operating the 9-8-8 Hotline.

"Telephone company" is defined in current law as a company engaged in the business of providing local exchange telephone service by making available or furnishing access and a dial tone to persons within a local calling area for use in originating and receiving voice grade communications over a switched network operated by the provider of the service within the area and gaining access to other telecommunication services. Unless otherwise specified in the relevant law, "telephone company" includes a wireline service provider (provides to Ohio end users basic local exchange service by interconnected wires or cables), wireless service provider (provides service through wireless, two-way communication, such as for example, a cell phone), and any entity that is a covered 9-1-1 service provider under federal rule.[17]

DBH trust fund

(R.C. 5119.46)

The bill eliminates authorization for the transfer of unexpended, unencumbered balances of DBH's GRF appropriations to the DBH Trust Fund. The fund will continue to receive all funds received from the sale or lease of lands and facilities by DBH. The bill permits money in the fund to be used only as appropriated by the General Assembly or approved by the Controlling Board.

Data sharing

(R.C. 340.038 and 5160.45)

The bill requires DBH and the Department of Medicaid (ODM), in collaboration with ADAMHS boards, to develop a three-way data-sharing agreement for the exchange of, and access to, data and other information regarding clients receiving addiction services, mental health services, or both, including information that exists at the level of claims for Medicaid and other payments for the services. The agreement must specify data-sharing and integration procedures

[17] R.C. 128.01(F), (G), (J), (K), and (W), not in the bill.

that enable DBH, ODM, and ADAMHS boards to exchange and access, on a mutual basis, all client data and other information necessary to ensure that each board's continuum of care is available and appropriate to persons receiving addiction services, mental health services, or both. Each data-sharing agreement must address:

- Information regarding clients with severe mental illness, as identified by clinical diagnoses, the number of services provided (expressed according to discrete service groups, the length of time in treatment, and other relevant factors;
- Information regarding clients who are incarcerated, including information about Medicaid eligibility status before and after incarceration, to coordinate services upon the client's release;
- Information regarding clients who participate in housing assistance programs, to assist with coordinating services between housing and treatment providers; and
- Information regarding claims for payment, including Medicaid payment, for all addiction services and mental health services provided to clients, based on the alcohol, drug addiction, and mental health service district in which they reside.

High-THC cannabis impact research study

(Section 751.90)

The bill requires DBH to collaborate with the Department of Commerce and a public university or research consortium selected by DBH to conduct a study regarding cannabis use. The study must assess the potential health risks and benefits of cannabis and hemp-derived product use, review relevant state-level program evaluations from other states, and review peer-reviewed research. The study must consider all of the following:

- Physical, behavioral, cognitive, and neurodevelopmental effects of chronic or early use of high-potency THC cannabis products, particularly among individuals under the age of 25;
- Cannabis-induced psychosis and schizophrenia;
- Cannabis hyperemesis syndrome;
- The relationship between cannabis use and depression, anxiety, and suicidal ideation;
- The relationship between cannabis use and cognitive and neurodevelopmental impairments such as decline in memory and executive functioning;
- Disproportionate impacts of cannabis use on vulnerable populations, including youth and individuals with a history of trauma or mental illness; and
- Health benefits of cannabis and hemp-derived product use, including potential therapeutic uses and recommended guidelines for potency and usage.

DBH is required to compile a report that includes (1) a comparative analysis of THC regulations, potency limits, and health outcomes from other states' cannabis programs, (2) a synthesis of peer-reviewed research and reputable state program data, and (3) recommendations for cannabis regulation, prevention education, public education

campaigns, and outreach efforts for stakeholders such as the General Assembly, state agencies, employers, educators, and the general public. If necessary, the Department may seek the input of ODH, RecoveryOhio, BWC, DPS, the Attorney General, the State Medical Board of Ohio, cannabis industry representatives, and prevention consultants certified by CDP.

DBH must submit an initial report to the Governor and the General Assembly by June 30, 2026. A final report must be submitted by June 30, 2027. The bill appropriates $300,000 in each fiscal year to be used for the study.

Ibogaine Treatment Study Committee

(Section 751.40)

The bill creates the Ibogaine Treatment Study Committee. The committee is responsible for evaluating the use of ibogaine (a compound found in the roots of the African iboga shrub) to care for and treat people with substance use disorders and veterans with post-traumatic stress disorder (PTSD), depression, and mild traumatic brain injuries (TBIs). The committee must consider the needs of the foregoing people and the efficacy of ibogaine to treat their conditions. The committee also must examine state and federal law regarding ibogaine and explore any other relevant topics. DBH is responsible for providing any administrative support necessary to execute the committee's duties.

The committee must meet as often as necessary and has six members: two members of the General Assembly appointed by the Speaker of the House, two members of the General Assembly appointed by the Senate President, the DBH Director or the Director's designee, and the Director of Veterans Services or the Director's designee. All members must be appointed within 30 days of the bill's effective date, and vacancies must be filled within 30 days. The members are responsible for selecting a chairperson.

By December 31, 2027, the committee must submit a report to the General Assembly containing its recommendations for legislation addressing the use of ibogaine to treat people with substance use disorders and veterans with PTSD, depression, and mild TBIs. After the report is submitted, the committee is dissolved.

OFFICE OF BUDGET AND MANAGEMENT

State appropriation limitations

- Modifies, starting July 1, 2027, how the state appropriation limitations (SAL) are calculated by requiring the inclusion of certain non-GRF appropriations in the SAL calculation.
- Eliminates the SAL alternative growth factor related to population growth and inflation.
- Eliminates the General Assembly's authority to exceed the SAL in response to an emergency proclamation by the Governor.
- Requires the Governor to itemize all non-GRF appropriation line items that are subject to the SAL as part of the Governor's biennial budget submissions.

Impact of federal grant suspension

- States that if the federal government reduces or suspends any federal program that provides funding for a corresponding state program, that state program may be reduced or suspended.

OBM support services

- Requires OBM to perform routine support services for the New African Immigrants Commission.
- Authorizes OBM to perform routine support services for any board or commission upon request.

Targeted Addiction Assistance Fund

- Creates the Targeted Addiction Assistance Fund to receive all funding awarded to the state to address the effects of the opioid crisis.
- Specifies that, beginning January 15, 2027, any money received under the settlement agreement in *State of Ohio v. McKesson Corp.* must be certified by the Attorney General and sent to OBM for deposit in the fund.
- Requires the OBM Director to notify the Speaker of the House and Senate President when money is deposited into the fund.

State Land Royalty Fund

- Revises the requirements and procedures regarding the transfer of money derived from oil and gas leases on state land from the existing State Land Royalty Fund (SLRF) to individual funds administered by state agencies.
- Creates three funds for such transfers for DNR, the Division of Wildlife in DNR, and ODOT, but retains the current law authority for any other state agency to designate a fund for oil and gas lease deposits.

Computer data center tax exemption application

- Removes the OBM Director as one of the persons who receives, forwarded by the tax credit authority, copies of an application for a complete or partial tax exemption from a taxpayer who proposes a capital improvement project for an eligible computer data center.

Automated Title Processing Board

- Removes the OBM Director as a nonvoting member of the Automated Title Processing Board.

State appropriation limitations

(R.C. 107.032, 107.033, 107.034, repealed, 107.035, 131.56, 131.57, and 131.58; Section 701.60)

SAL calculation

The bill changes how the state appropriation limitations (SAL) are calculated starting in FY 2028 (starting July 1, 2027). Under continuing law, the Governor must include the SAL as part of the executive budget proposal at the beginning of each new General Assembly. The bill also explicitly directs the Governor to take the bill's changes into account when calculating the SAL for FY 2028. Generally, the SAL limits the growth of GRF spending to a designated percentage each biennium. For more background on the SAL, please see LSC's Guidebook for Ohio Legislators, Chapter 8 (PDF), available on LSC's website at lsc.ohio.gov.

Non-GRF appropriations to be included in SAL calculation

The bill includes in the meaning of "aggregate GRF appropriations" any appropriations made indirectly from any non-GRF fund that is supported by cash transfers from the GRF. For example, if a program is funded by a non-GRF fund, but that fund's money originates with GRF cash transfers, the program's appropriations must be included as "aggregate GRF appropriations" despite being appropriated from a non-GRF fund. This will likely result in more appropriations being classified as aggregate GRF appropriations and thus subject to the SAL.

Under continuing law, an appropriation that originates in the GRF will continue to be included in the SAL calculation even if that appropriation is subsequently moved to a non-GRF account. The bill further states that any tax revenue credited to the GRF during FYs 2026 and 2027 is a GRF tax source funding GRF appropriations for the succeeding fiscal year even if the tax revenue is later credited to a non-GRF account. As a hypothetical, this means that if the commercial activity tax (CAT), which is credited to the GRF in FY 2026, is credited to a non-GRF account starting in FY 2028, those non-GRF appropriations paid for by the CAT revenue would still be included in the calculation of the SAL, even though they were funded at that time from a non-GRF account. This change will ensure that all appropriations supported by GRF tax revenue during FYs 2026 and 2027 will be included permanently in the SAL calculation.

SAL growth factor

The bill revises the growth factor for calculating the SAL. It retains the SAL growth factor at 3.5%, but eliminates the alternative growth factor based on inflation and population growth. Under current law, the SAL is calculated using the greater of the following figures:

- The previous year's SAL (or aggregate GRF appropriations for the previous fiscal year, in certain years) multiplied by 3.5% (standard growth factor);
- The sum of the rate of inflation plus the rate of population change (alternative growth factor).

As a result of the bill's change, the SAL must be calculated using the 3.5% standard growth factor only.

Elimination of SAL exception for emergency proclamation

Also taking effect in FY 2028, the bill eliminates an exception permitting the General Assembly to exceed the SAL if the excess appropriations are made in response to a Governor's emergency proclamation and the appropriations are used for that emergency. The bill retains the current exception permitting the General Assembly to exceed the SAL by passing a bill by a $^{2}/_{3}$ majority of the members of each house that identifies the purpose of the excess appropriation and whether the appropriation must be included in future SAL calculations.

List of non-GRF appropriation items subject to SAL

Finally, the bill requires the Governor to identify in the executive budget proposal all non-GRF appropriation line items (ALIs) that are subject to the SAL for the current fiscal year. If the Governor decides to continue funding any of those non-GRF line items, the Governor must, to the greatest extent possible, propose funding for those non-GRF line items from the GRF for each respective fiscal year of the biennium covered by that budget. Also, as part of the proposal, the Governor must include a table listing any remaining non-GRF ALIs that are subject to the SAL for the current fiscal year and for each respective fiscal year of the biennium covered by that budget.

Impact of federal grant suspension

(R.C. 126.10)

The bill states that, notwithstanding any provision of law to the contrary, if the federal government reduces or suspends any federal program that provides federal funds for any corresponding state program, that state program may be reduced or suspended. The bill does not specify who makes the determination to reduce or suspend the program. That reduction or suspension includes any contract, agreement, memorandum of understanding, or any other covenant entered into by the state that is dependent on federal funding.

The bill defines a state program as any program, initiative, or service administered or overseen by an agency, which includes any board, department, division, commission, bureau, society, council, or public institution of higher education, but does not include the General Assembly, the Controlling Board, the Adjutant General, or any court.

OBM support services

(R.C. 126.42)

The bill requires the Office of Budget and Management (OBM) to provide routine support services for the New African Immigrants Commission, in addition to the 16 other boards that currently must receive these services. Also, the bill authorizes OBM to perform routine support services for any board or commission upon request. Current law provides discretionary authority for OBM to perform the services for any professional or occupational licensing board or commission.

Under continuing law, routine support services include tasks such as preparing and processing payroll, maintaining ledgers of accounts and balances, and routine human resources and personnel services.

Targeted Addiction Assistance Fund

(R.C. 126.67)

The Targeted Addiction Assistance Fund is created in the state treasury, to consist of all money awarded to the state by court order that is intended to address the effects of the opioid crisis. The bill specifies that, beginning January 15, 2027, any money received under the settlement agreement in *State of Ohio v. McKesson Corp.*, Case No. CVH20180055 (C.P. Madison Co., settlement agreement of October 7, 2021) must be certified by the Attorney General and sent to OBM for deposit in the fund. The OBM Director must notify the Speaker of the House and Senate President when money is deposited into the fund.

State Land Royalty Fund

(R.C. 131.50)

The bill revises the requirements and procedures regarding money transferred from the existing State Land Royalty Fund (SLRF). The SLRF is the fund into which money is credited from the proceeds of oil and gas leases entered into by state agencies. Under current law, the Treasurer of State, in consultation with OBM, must transfer money from the SLRF to the appropriate fund designated by a state agency.

The bill moves from the Treasurer of State to OBM the responsibility to transfer funds from the SLRF. It also creates three new funds that must be used for deposits intended for DNR, the Division of Wildlife in DNR, and ODOT – the Natural Resources Land Royalty Fund, the Wildlife Land Royalty Fund, and the Transportation Land Royalty Fund. It eliminates the requirement that money from the SLRF be transferred to funds administered by divisions in DNR after consultation with the DNR Director. For other state agencies, the bill retains the current law authority for any other state agency to designate a fund for oil and gas lease deposits.

Computer data center tax exemption application

(R.C. 122.175)

The bill removes the OBM Director as one of the persons who receives, forwarded by the tax credit authority, copies of an application for a complete or partial tax exemption from a

taxpayer who proposes a capital improvement project for an eligible computer data center. Under continuing law, the Tax Commissioner and Director of Development receive copies of the application and review the application to determine the economic impact that the proposed eligible computer data center would have on Ohio and any affected political subdivisions. The Tax Commissioner and Director submit a summary of their determinations to the tax credit authority. Upon review of the determinations, the tax credit authority may enter into an agreement with the applicant and any other taxpayer that operates a computer data center business at the project site for a complete or partial tax exemption on the taxes imposed on computer data center equipment used or to be used at an eligible data center.

Automated Title Processing Board

(R.C. 4505.09)

The bill removes the OBM Director as a nonvoting member from the Automated Title Processing Board. The Board facilitates the operation and maintenance of an automated title processing system and approves the procurement of automated title processing system equipment and ribbons, cartridges, or other devices necessary for the operation of the equipment. Under continuing law, the Chief of the Division of Parks and Watercraft in DNR or the Chief's designee and the Tax Commissioner or Commissioner's designee are nonvoting members of the Board. The Board also consists of five voting members, which includes the Deputy Registrar or Registrar's representative, a person selected by the Registrar, the President of the Ohio Clerks of Courts Association or the President's representative, and two clerks of courts of common pleas appointed by the Governor.

Under continuing law, the Board determines the following:

- The automated title processing equipment and certificates of title requirements for each county;
- The payment of expenses that may be incurred by the counties in implementing an automated title processing system;
- The repayment to the counties for existing title processing equipment; and
- With the approval of the DPS Director, award of grants from the automated title processing fund to the clerk of courts of any county who employs a person who assists with the design of, updates to, tests of, installation of, or any other activity related to an automated title processing system.

CHEMICAL DEPENDENCY PROFESSIONALS BOARD

Terminology change

- Replaces the term "chemical dependency" with "substance use disorder" and modifies associated definitions.

Peer supporters

- Requires the Chemical Dependency Professionals (CDP) Board to provide certification for peer recovery supporters, youth peer supporters, and family peer supporters.
- Requires peer supporters to practice under supervision.
- Establishes a peer support supervisor endorsement, which must be obtained by a peer supporter or other chemical dependency professional to serve as a supervisor.
- Permits other mental health professionals to supervise peer supporters after completing training requirements established by Board rule.

Prevention services

- Modifies the definition of "prevention services" and requires the Board to adopt standards for the practice of prevention services.
- Changes credentialing of prevention specialists and prevention consultants from certification to licensure.

Chemical dependency counselor assistants

- Requires an individual seeking certification as a chemical dependency counselor assistant to be at least 18 and hold a high school diploma, a certificate of high school equivalence, or a higher degree.
- Changes the designation that applies to the first certification that is received to practice as a chemical dependency counselor assistant from "initial" to "preliminary."
- Eliminates additional training requirements for preliminary certificate holders, and instead, requires the Board to establish the standards by rule.
- Prohibits the Board from renewing or restoring a chemical dependency counselor assistant preliminary certificate.

Approval of education programs

- Requires the Board to approve education programs that may be completed for initial licenses, certificates, and endorsements.
- Extends, for the Board's approval of additional education programs, the Board's duty to establish fees and adopt rules.

Applications

- Requires applicants for licensure, certification, or endorsement from the Board to submit an application in the manner the Board prescribes.
- Requires applicants for licensure, certification, or endorsement from the Board to hold a required degree "or higher."

Discipline

- Permits the Board to impose fines as a form of professional disciplinary action against its license, certificate, and endorsement holders.
- Requires the Board to adopt rules establishing a graduated system of fines, based on the scope and severity of violations and history of compliance, with a maximum fine of $500 per incident.
- Permits the Board to discipline an individual credentialed by the Board for an inability to practice due to mental illness or physical illness.
- Permits the Board to discipline an individual credentialed by the Board for conviction in another jurisdiction of either a felony or misdemeanors committed in the course of practice.

Internships, practicums, and work experience

- Permits the Board to require internships or practicums as a condition of licensure, certification, or endorsement, instead of preceptorships as specified by current law.
- Requires work or internship experience for a license as a chemical dependency counselor to include services provided for substance use disorder treatment within a scope of practice to perform such services.

Criminal records checks

- Requires applicants for licensure, certification, or endorsement from the Board to undergo a criminal records check.
- Requires the Board to adopt rules regarding criminal records checks.

Alternative pathways to licensure

- Eliminates pathways to licensure that require the professional to hold formerly accepted credentials on December 23, 2002.
- Eliminates a pathway to licensure as a chemical dependency counselor II that requires a professional to have held a certificate as a chemical dependency counselor assistant since 2008 and meet other requirements.
- Eliminates a pathway for licensure as an independent chemical dependency counselor-clinical supervisor for applicants who held a license on March 22, 2013, under which an applicant is not required to pay a fee or comply with other licensure requirements.

Codes of ethics

- Requires the codes of ethics adopted by the Board to prohibit engaging in multiple relationships with clients.
- Expands specific requirements for the development of codes of ethics to apply to all professionals credentialed by the Board.

Referrals

- Eliminates the statutory authority of chemical dependency professionals and gambling endorsement holders licensed, certified, and endorsed by the Board to refer individuals to appropriate sources of help.

Board membership

- Adds a chemical dependency counselor assistant and an individual who is a peer recovery supporter, youth peer supporter, or family peer supporter to the Board.
- Replaces the Board member who is a physician with experience practicing in a field related to chemical dependency counseling with a specified health care worker or counselor who is employed or contracted by a community addiction services provider or community mental health services provider.
- Increases to nine the number of members who must be present to constitute a quorum.

Chemical dependency counselor I license

- Eliminates obsolete references to the chemical dependency counselor I license, for which initial licensure was eliminated in 2002 and renewals ceased in 2008.

Eliminated requirements

- Eliminates a requirement that each license or certificate include the Board's address and telephone number.
- Eliminates a requirement that a holder of a license, certificate, or endorsement issued by the Board prominently post that license, certificate, or endorsement at the holder's place of employment.

Terminology change

(R.C. 4758.01; conforming changes in R.C. 4757.41, 4758.02, 4758.03, 4758.10, 4758.13, 4758.20, 4758.22, 4758.221, 4758.23, 4758.30, 4758.31, 4758.36, 4758.39, 4758.40, 4758.41, 4758.42, 4758.43, 4758.54, 4758.55, 4758.56, 4758.57, and 4758.59)

The bill replaces the term "chemical dependency" with "substance use disorder" throughout R.C. Chapter 4758 and modifies a relevant definition. "Alcohol and other drug counseling principles, methods, and procedures" is currently defined as an approach to chemical dependency counseling that emphasizes the chemical dependency counselor's role in systematically assisting clients through all of the following: (1) analyzing background and current

information, (2) exploring possible solutions, (3) developing and providing a treatment plan, and (4) for certain professionals, diagnosing chemical dependency conditions. These principles, methods, and procedures include counseling, assessing, consulting, and referral. The bill condenses this definition to say that "substance use disorder clinical counseling principles, methods, or procedures" are "counseling, assessing, treatment planning, crisis intervention, and referral as they relate to substance use disorder conditions."

Although the terminology used in referring to chemical dependency/substance use disorder is modified, the bill retains the name of all chemical dependency counselors and the Chemical Dependency Professionals (CDP) Board.

Peer supporters

(R.C. 4758.01, 4758.02, 4758.20, 4758.21, 4758.49, 4758.491, 4758.65, 4758.651, 4758.70, and 4758.80; Section 747.10; conforming changes in R.C. 4743.09, 4757.41, 4758.10, 4758.13, 4758.22, 4758.23, 4758.30, 4758.31, 4758.36, and 4758.99)

The bill requires the CDP Board to provide certification for peer recovery supporters, youth peer supporters, and family peer supporters. Peer recovery supporters work with individuals with a mental illness or substance use disorder, or both, who may also have a co-occurring developmental disability, as well as the individuals' caregivers or families. Youth peer supporters work with the same population, but primarily focus on individuals who are age 30 or younger. Family peer supporters exclusively work with the caregivers or families of individuals with a mental illness or substance use disorder.

All peer supporters work with their clients to promote resiliency and recovery, self-determination, advocacy, well-being, skill development, and any other competencies the CDP Board may adopt by rule. Peer supporters may not engage in the practice of substance use disorder counseling or prevention services.

Peer supporters are currently certified by the Department of Behavioral Health (DBH). Beginning one year after the bill's 90-day effective date, the bill requires anyone using a peer supporter title to be certified by the CDP Board. At the Board's discretion, a person certified by DBH may continue practicing as a peer supporter until one year after the effective date of the Board's initial rules regarding peer supporters.

Requirements for certification

All peer supporters must hold a high school diploma, the equivalent of a high school diploma, or a higher degree. The CDP Board is responsible for determining what high school diploma equivalents are acceptable. Peer supporters must also complete training, pass an examination, and agree to follow a code of ethics, all to be established by the Board.

Peer recovery supporters must be at least 18, have direct lived experience with mental illness or substance use disorder, and be in recovery.

Youth peer supporters must be at least 18, but not older than 30. They must have direct lived experience with the behavioral health system and other child or youth services systems.

Family peer supporters must be at least 21, have direct lived experience as the caregiver of a person with a mental illness or substance use disorder, and have successfully navigated service systems for at least one year on behalf of that person.

Supervision

Peer supporters must practice under supervision. Supervision may be provided by another certified peer supporter or a chemical dependency professional licensed by the CDP Board who holds a peer support supervisor endorsement. Psychologists, psychiatrists, social workers, independent social workers, professional counselors, professional clinical counselors, marriage and family therapists, or independent marriage and family therapists may also supervise peer supporters after completing a training established by the Board.

Peer support supervisor endorsement

To obtain a peer support supervisor endorsement, a peer supporter, independent chemical dependency counselor, chemical dependency counselor III, or chemical dependency counselor II must have provided service as a peer supporter or chemical dependency counselor for at least two years. For peer supporters, this may include time spent practicing while certified by DBH. The professional must also complete both online learning and a supervising peers training program in accordance with rules adopted by the CDP Board. If the online learning courses are provided by DBH, the Board may not charge a fee for approving the course.

Telehealth

The bill permits peer supporters to provide services through telehealth.

Prevention services

(R.C. 4758.01, 4758.44, and 4758.45; conforming changes in R.C. 4758.02, 4758.10, 4758.20, 4758.21, 4758.22, 4758.23, 4758.60, and 4758.61)

The bill modifies the definition of prevention services. Current law defines prevention services as "a comprehensive, multi-system set of individual and environmental approaches that maximizes physical health, promotes safety, and precludes the onset of behavioral health disorders." The new definition specifies that prevention services, "are a planned sequence of culturally relevant, evidence-based strategies designed to reduce the likelihood of, or delay the onset of, mental, emotional, and behavioral disorders."

The bill requires the CDP Board to set standards for the practice of prevention services, including by specifying that prevention services must be (1) intentionally designed to reduce risk or promote health before the onset of a disorder, (2) population-focused and targeted to specific levels of risk, and (3) reserved for interventions designed to reduce the occurrence of new cases of mental, emotional, and behavioral disorders. Prevention services must not be used for clinical assessment, treatment, relapse and recovery support services, or medications of any type.

Current law specifies that prevention consultants and prevention specialists, who both provide prevention services, must be certified by the Board. The bill changes these credentials to licenses.

Chemical dependency counselor assistants

(R.C. 4758.20, 4758.26, 4758.27, 4758.43, 4758.51, and 4758.52, repealed)

The bill changes the designation that applies to the first certification that is received to practice as a chemical dependency counselor assistant from "initial" to "preliminary." The chemical dependency counselor assistant preliminary certificate must be obtained before applying for certification as a chemical dependency counselor. The bill requires the CDP Board to establish requirements for obtaining a preliminary certificate. It eliminates requirements for training that must be completed during the first 12 months a preliminary certificate is in effect and prohibits the Board from renewing a preliminary certificate.

In addition to first obtaining a preliminary certificate, the Board requires applicants for certification as a chemical dependency counselor assistant to be at least 18 years old and hold a high school diploma, a certificate of high school equivalence, or a higher degree.

Approval of education programs

(R.C. 4758.20, 4758.21, and 4758.28)

The CDP Board is already required to approve continuing education programs for individuals licensed, certified, and endorsed by the Board, and to charge fees for the approval of these programs. The bill additionally requires the Board to approve education programs that can be completed for initial licensure, certification, and endorsement, including degree and certificate training programs offered by accredited educational institutions and other training programs selected by the Board. The Board is required to adopt rules establishing requirements for these education programs and setting fees for their approval.

Applications

(R.C. 4758.10, 4758.20, 4758.35, 4758.39, 4758.40, 4758.41, 4758.43, 4758.44, 4758.45, 4758.46, 4758.47, and 4758.49)

Applicants for licensure, certification, or endorsement by the CDP Board must currently submit a written application to the Board. The bill removes the requirement that the application be written, instead requiring it to be submitted in a manner the Board prescribes.

The bill specifies that applicants for licensure, certification, or endorsement from the Board must hold a required degree "or higher," as opposed to holding "at least" that degree as in current law.

Discipline

(R.C. 4758.20 and 4758.30)

The bill permits the CDP Board to impose fines against professionals it credentials as a form of professional discipline. The Board is required to establish a graduated system of fines where a fine is determined based on the scope and severity of a violation and the professional's history of compliance. The maximum fine that can be imposed is $5,000 per incident.

Current law permits the Board to discipline an individual credentialed by the Board if that individual is unable to practice due to a physical or mental condition. The bill instead specifies

that the Board may impose discipline if an individual is unable to practice by reason of mental illness or physical illness, including physical deterioration that adversely affects cognitive, motor, or perceptive skills.

The Board may currently discipline a professional for conviction in Ohio or any other state of a crime that is either a felony in Ohio or a misdemeanor that is committed in the course of practice. The bill extends this to include conviction in any other jurisdiction.

Internships, practicums, and work experience

(R.C. 4758.20, 4758.39, 4758.40, 4758.41, and 4758.42)

Current law permits the CDP Board to require preceptorships as a condition of licensure, certification, or endorsement. The bill instead permits the Board to require internships and practicums.

Individuals seeking an independent chemical dependency counselor-clinical supervisor, independent chemical dependency counselor, chemical dependency counselor III, or chemical dependency counselor II license are currently required to have compensated work or internship experience in chemical dependency services, substance abuse services, or both types of services. The bill modifies this requirement so that internship or work experience must instead include the provision of services in substance use disorder treatment within a scope of practice that the Board considers appropriate for the license being sought.

Criminal records checks

(R.C. 4758.20, 4758.24, 4776.01, and 4776.20)

The bill requires anyone applying for licensure, certification, or endorsement through the CDP Board to undergo a criminal records check. The Board must adopt rules regarding this process.

Alternative pathways to licensure

(R.C. 4758.241, repealed, 4758.40, 4758.41, 4758.42, 4758.43, 4758.44, and 4758.45)

Current law permits licensure as an independent chemical dependency counselor, chemical dependency counselor III, chemical dependency counselor II, prevention consultant, or prevention specialist, or certification as a chemical dependency counselor assistant, if the professional held a license or certification on December 23, 2002. To qualify for licensure through this pathway, independent chemical dependency counselors and chemical dependency counselors III must also hold a Board-approved degree and complete at least 40 hours of training on the current Diagnostic and Statistical Manual of Mental Disorders. The bill removes this pathway to licensure for all of the aforementioned professionals credentialed by the CDP Board.

The bill also removes a pathway to licensure as a chemical dependency counselor II for professionals who have continuously held a chemical dependency counselor assistant certificate and practiced under supervision since December 31, 2008, provided a written recommendation from a supervisor, received Board-approved training, and passed a chemical dependency counselor II license exam.

Finally, the bill removes an alternative pathway for licensure as an independent chemical dependency counselor-clinical supervisor. Currently, an applicant who held an independent chemical dependency counselor license on March 22, 2013, may receive an independent chemical dependency counselor-clinical supervisor license without paying a license fee or meeting additional requirements for that license.

Codes of ethics

(R.C. 4758.23)

The CDP Board is currently required to establish codes of ethical practice and professional conduct for the professionals it licenses, certifies, and endorses. Current law requires the codes for chemical dependency counselors to define unprofessional conduct, including engaging in a dual relationship with a client, former client, consumer, or former consumer. The bill expands the requirements regarding unprofessional conduct to all professionals credentialed by the Board, and instead of prohibiting engaging in a dual relationship, the codes must prohibit engaging in multiple relationships with a person being served.

Referrals

(R.C. 4758.54, 4758.55, 4758.56, 4758.57, 4758.59, 4758.62, 4758.63, and 4758.64)

The bill removes the statutory authority of an independent chemical dependency counselor-clinical supervisor, independent chemical dependency counselor, chemical dependency counselor III, or chemical dependency counselor II to refer individuals with nonchemical dependency conditions to appropriate sources of help. It also eliminates the statutory authority of a gambling disorder endorsement holder to refer individuals with other gambling conditions to appropriate sources of help. However, the CDP Board has indicated that the codes of ethics for the professionals it regulates require referral when a client needs services beyond the professional's scope of practice.

Board membership

(R.C. 4758.10, 4758.11, and 4758.13; Section 747.10)

The bill increases the membership of the CDP Board by requiring the Governor to appoint to the Board an individual holding a valid chemical dependency counselor assistant certificate and an individual who is a certified peer recovery supporter, youth peer supporter, or family peer supporter. In accordance with adding new members to the Board, the bill increases the number of members who must be present to constitute a quorum from seven to nine.

For the peer supporter appointee, the Governor may either postpone making an appointment until these professionals are certified by the Board or appoint an individual who otherwise meets the qualifications of a peer supporter. If the Governor delays making an appointment, the Board may modify the number of present members necessary for a quorum.

The bill also modifies the Board's membership by replacing the Board member who is a physician with experience practicing in a field related to chemical dependency counseling. Instead, the bill permits the position to be filled with a health care worker or counselor who is employed or contracted by a community addiction services provider or community mental health

services provider. The health care worker may be a psychiatrist, psychologist, psychiatric-mental health clinical nurse specialist, psychiatric-mental health nurse practitioner, professional clinical counselor, professional counselor, independent social worker, social worker, independent marriage and family therapist, or marriage and family therapist.

As under current law, the Governor's appointments are subject to the advice and consent of the Senate.

Chemical dependency counselor I license

(R.C. 4758.02, 4758.24, and 4758.27)

The chemical dependency counselor I license was eliminated in 2002. People who were licensed as a chemical dependency counselor I in 2002 were permitted to keep practicing under that license for a limited time, but renewals ceased in 2008. The bill eliminates remaining references to theses licenses from statute.

Eliminated requirements

(R.C. 4758.18, repealed and 4758.50, repealed)

The bill eliminates a requirement that the CDP Board include the Board's address and telephone number on each license or certificate it issues. It also eliminates a requirement that a holder of a license, certificate, or endorsement issued by the Board prominently post that license, certificate, or endorsement at the holder's place of employment.

DEPARTMENT OF CHILDREN AND YOUTH

I. Child Care

Publicly funded child care (PFCC)

Eligibility

- Maintains the maximum amount of family income for initial PFCC eligibility at 145% of the federal poverty line, and for special needs child care, at 150%, until June 30, 2027.
- Repeals provisions that allow an applicant to receive PFCC while a county department of job and family services (CDJFS) determines the applicant's eligibility.

Eligibility period for homeless child care

- Expands to 12 months (from a maximum of 90 days) the period for which a family is eligible for homeless child care.

Provider payment

Prospective payment

- Requires payment to PFCC providers to be made prospectively, by changing references from "reimbursement" to "payment" in the PFCC laws.

Payment rates

- Increases PFCC provider payments from the rate the provider customarily charges for providing child care to the payment rate established by the Department of Children and Youth (DCY) in rules for PFCC providers that customarily charge below the payment rate.

Payments based on enrollment not attendance

- Beginning not later than July 1, 2026, requires DCY to calculate publicly funded child care payments based on a child's enrollment with a child care provider, rather than on the child's attendance as under current law.

Child care prices

- Authorizes DCY to contract with a third-party entity to analyze child care prices in even-numbered years.

Eligibility period for homeless child care

- Expands to 12 months (from a maximum of 90 days) the period for which a family is eligible for homeless child care.

In-home aide continuous certification

- Removes the requirement that an in-home aide be recertified every two years.

Child Care Choice Voucher Program

- Requires DCY to establish the Child Care Choice Voucher Program to provide vouchers to eligible families to assist them with child care costs.

Early Childhood Education Grant Program

- Codifies the Early Childhood Education Grant Program and establishes it in the DCY, with the aim of supporting and investing in Ohio's early learning and development programs.
- Establishes eligibility conditions for participation, including that an early learning and development program (1) satisfy quality standards specified by the DCY Director, and (2) provide early learning and development services to one or more preschool-aged children with family incomes not exceeding 200% of the federal poverty line.
- Generally requires funds appropriated to the program to be distributed to grant recipients, and prohibits more than 2% to be used for program support and technical assistance.
- Requires the DCY Director to adopt rules to administer the program, including rules addressing (1) eligibility conditions and other requirements, (2) standards, procedures, and requirements for applying for and distributing funds to grant recipients, and (3) methods by which DCY may recover any erroneous payments.

Child Care Cred Program

- Creates the Child Care Cred Program in DCY that allows for costs of child care to be shared by participating employees, employers, and DCY.
- Requires each participating employee to choose a child care provider for the employee's child, but specifies that the chosen provider must hold a license issued by JFS or be certified by a county department of job and family services.
- Appropriates $10 million for the program.

Child Care Provider Recruitment and Mentorship Grant Program

- Establishes the Child Care Recruitment and Mentorship Grant Program to help increase the number of licensed child care providers in Ohio.

Transfer preschool reporting to DCY

- Requires DCY alone, instead of with the Department of Education and Workforce, to provide consultation and technical assistance and in-service training to, and annually inspect and report on, each preschool and school child program operated by specified entities.

Kindergarten readiness assessment

- Eliminates the kindergarten readiness assessment, its use on the state report card, and related data collection and reporting requirements.

Step Up to Quality – peer review appeal process

- Authorizes an early learning and development program to appeal the DCY Director's decision to refuse to rate the program in Step Up to Quality or to reduce or remove the program's Step Up to Quality rating.
- Establishes a process for bringing and hearing the appeal, which includes requiring the DCY Director to convene a panel to review the Director's initial determination as to whether the decision should be upheld.

Ohio professional registry

- Requires the DCY Director to contract with a third party to develop a registry information system to provide training and professional development opportunities to early learning and development program employees.

II. Child Welfare

Summary suspension of the certificate of an institution or association

- Allows DCY to suspend the certificate of an institution or association (defined generally under existing law as an entity or individual, such as a foster caregiver, receiving or caring for children for two or more consecutive weeks) without a prior hearing for specified reasons primarily related to the actual or risk of harm to a child under the care and supervision of the institution or association.

Requirements for group homes

- Requires the DCY Director to adopt rules in accordance with the Administrative Procedure Act to establish requirements regarding the following for group homes for children:
  - The use of the Ohio Professional Registry for completing background checks and criminal records checks for individuals overseeing or working within a group home;
  - Training on behavioral intervention;
  - Supervision of children, including staff-to-children ratios.
- Prohibits a group home operator from displacing a child to meet the ratio requirements.
- Allows the DCY Director to revoke or suspend the certificate of a group home that violates these requirements.

Regional wellness campuses

- Requires DCY to assist with the establishment of regional child wellness campuses, entities serving children and youth who are, or are at risk of being, in the custody of a public children services agency but not yet placed in a licensed residential setting.

Prevention services

- Changes the beneficiary of prevention services from the child to the family in existing law provisions regarding referrals by a PCSA and the disclosure to a prevention services provider of confidential information discovered during an investigation.
- Specifies that if a family is determined to benefit from prevention services, the PCSA *ma*y make a referral to a provider, *if available* (instead of requiring referral).

Mandatory reporter of child abuse and neglect

- Adds an employee of an entity providing home visiting services under the Help Me Grow program as a mandated reporter of child abuse and neglect.

Request for proposals to establish rate cards

- Allows DCY to issue a request for proposals to establish statewide rate cards for placement and care of children eligible for foster care maintenance payments.
- Requires, if a request for proposals is issued, DCY to review and accept the reasonable costs to cover specified requirements for each child eligible for foster care maintenance payments.
- Allows, instead of requires as in current law, DCY to establish (1) a form for agencies or entities that provide placement services to children to report costs reimbursable under Title IV-E and Medicaid and (2) procedures to monitor the cost reports.

Benefits to children under the custody of a Title IV-E agency

- Requires a Title IV-E agency that receives care and placement of a child to determine if the child is eligible for or receives certain benefits, including payments from the Social Security Administration and survivor benefits from the U.S. Department of Veterans Affairs and the state retirement systems.
- Prohibits a Title IV-E agency from using those benefits to pay for or reimburse the agency, county, or state for any cost of the child's care.

Foster care adoption waiting period removal

- Removes the six-month waiting period from the current law requirement that a foster child reside in a foster caregiver's home for *at least six months* before a foster caregiver (1) may submit an application to adopt the child and (2) is exempt from adoption home study requirements.

Ohio Adoption Grant Program changes

- Requires that grants be made to eligible applicants only to the extent state funds are available for this purpose.
- Requires the adoptive parent to be an Ohio resident at the time the adoption was finalized to be eligible for a grant.

- Specifies that a person who produces or submits false or misleading documentation or information to DCY for the purpose of receiving a grant is guilty of the crime of falsification, a first degree misdemeanor.
- Maintains confidentiality of records that are confidential under continuing federal or state law when they are provided to DCY as part of a grant application.

Removal of Kinship Support Program state hearing rights

- Removes the option for a state hearing after a denial or termination of Kinship Support Program payments.

Ohio Children's Trust Fund

Child abuse and child neglect regional prevention councils

- Eliminates law dividing the state into eight child abuse and child neglect prevention regions and listing the counties encompassing each region and instead requires the Ohio Children's Trust Fund (OCTF) Board, in consultation with DCY, to determine the number of regions and the counties within each region.
- Reduces the term of each member of a child abuse and child neglect regional prevention council appointed by the OCTF Board from three years to two years.
- Allows a council member selected as chairperson of a council to be reappointed to a second term by the original appointing authority.
- Clarifies that the reappointment of a chairperson by a board of county commissioners is not considered to be an appointment under an existing law provision that allows a board of county commissioners to appoint up to two members to a council.
- Permits (instead of requires) the OCTF Board to select a regional prevention coordinator to oversee each child abuse and child neglect regional prevention council.
- Requires OCTF staff to serve as regional prevention coordinator for any region without a coordinator that has been selected by the Board.

Start-up costs for children's advocacy centers

- Allows an entity seeking to establish a children's advocacy center to request a one-time payment of up to $5,000 from the OCTF Board to be used towards start-up costs.

III. Councils

County family and children first councils

- Removes the prohibition that an individual whose family receives or has received services from an agency represented on a county family and children first council cannot serve on the county council if the individual is employed by an agency represented on the council, but requires such an individual to complete a conflict of interest disclosure form and abstain from votes that involve the individual's employer.

- Permits (rather than requires) the number of county council members representing families to equal 20% of a council's membership.
- Authorizes district level administrative designees to serve on a county council instead of the superintendent of the school district with the largest number of pupils in the county and another superintendent representing other districts.
- Permits (rather than requires) the administrative agent of a county council to send notice to specified persons when a member has been absent from a specified number of meetings.
- Permits a board of county commissioners to decline to establish or maintain a county council in specified circumstances.
- Permits a board that has decided not to establish or maintain a county council to reconsider that decision at any time but requires it to be reconsidered within five years.

Advisory councils consolidation

- Requires the Governor to create and appoint members to the Children and Youth Advisory Council, replacing the Early Childhood Advisory Council, the Ohio Home Visiting Consortium, the Early Intervention Services Advisory Council, and the Child Care Advisory Council.
- States that the purpose of the Council is to advise the Governor regarding prenatal and child-serving systems and to serve as the state advisory council on early childhood education and care and the state interagency coordinating council required by federal law.
- Requires the Council to create topic-specific advisory groups addressing at least the following: early childhood education and care, children services, maternal and infant vitality, early childhood mental health services and supports, and early intervention services.

IV. DCY duties

Autism services contracts

- Requires DCY – when applicable – to contract with an entity to administer programs and coordinate services for infants, preschool and school-age children, and adults with autism and low incidence disabilities.
- Eliminates the existing law requirement that the DEW Director give primary consideration to the Ohio Center for Autism and Low Incidence as the contracting entity when DEW contracts with an entity to administer and coordinate such programs and services.

Biennial summit on home visiting

- Repeals law requiring DCY to facilitate, and allocate funds for, a biennial summit on home visiting.

DCY transfers, recodification, and conforming changes

- Makes conforming changes and technical corrections to reflect the transfer of various duties and responsibilities to DCY in H.B. 133 of the 135th General Assembly.
- Removes obsolete language.
- Relocates and recodifies numerous Revised Code sections that relate to the duties and responsibilities of DCY to the DCY chapter of the Revised Code (Chapter 5180) and makes conforming changes as a result.
- Transfers or adds responsibility regarding certain programs to DCY.

I. Child Care

Publicly funded child care (PFCC)

Eligibility

(R.C. 5104.32, 5104.34, and 5104.38; Section 423.230)

First, the bill extends until June 30, 2027, the law governing income eligibility for PFCC, which is set to expire June 30, 2025. Under both current law and the bill, the maximum amount of income that a family may have for initial eligibility must not exceed 145% of the federal poverty line, while for special needs child care, the maximum amount must not exceed 150% of the federal poverty line.

The bill further specifies that the maximum amount of income for continued eligibility must not exceed 300% of the federal poverty line. Under continuing law unchanged by the bill, JFS must adopt rules specifying the maximum amount of income a family may have for initial and continued eligibility, with the maximum amount not to exceed 300% of the federal poverty line.

Second, the bill repeals law that allows an applicant to receive PFCC while a county department of job and family services (CDJFS) determines the applicant's eligibility. Existing law allows an applicant to do this once in a 12-month period. Included in this repeal are the following provisions:

- A requirement for a PFCC contract to specify that if the county department determines that an applicant is eligible for PFCC, a child care provider must be paid for all child care provided between the date the CDJFS receives the individual's completed application and the date the individual's eligibility is determined;
- If the county department determines that an applicant is not eligible for PFCC, a requirement for a provider to be paid for providing PFCC for up to five days after the determination, if the CDJFS received a completed application with all required documentation;
- The ability for a program to appeal a denial of payment from a CDJFS;

- A requirement for DCY to adopt rules to establish procedures for an applicant to receive PFCC while the county department determines eligibility and for a provider to appeal a denial of payment.

Eligibility period for homeless child care

(R.C. 5104.41)

The bill expands the period for which a family is eligible for homeless child care to 12 months. Under current law a family otherwise ineligible for publicly funded child care is eligible for homeless child care for the lesser of the following: not more than ninety (90) days or the period of time they reside in an emergency shelter for homeless families or in which the county department determines they are homeless. This extension aligns Ohio law with the federal Child Care and Development Block Grant Act requirements that eligible families receive 12 months of child care assistance before eligibility is redetermined.[18]

Provider payments

Prospective payment

(R.C. 5104.30, 5104.32, 5104.34, and 5104.38)

The bill makes changes regarding PFCC payment, consistent with a recently adopted federal rule that took effect in April 2024.[19] First, the bill requires payments to PFCC providers to be made prospectively by changing references from "reimbursement" to "payment" in the PFCC laws.

Payment rates

(R.C. 5104.32 and 5104.38)

Additionally, the bill repeals law requiring a contract for PFCC to specify that the provider agrees to be paid for rendering services at the lower of: (1) the rate that the provider customarily charges for child care or (2) the reimbursement rate of payment established by DCY rules. The bill requires the contract to specify that the provider agrees to be paid for rendering services at the rate established by DCY rules. The result of this change is that a provider that customarily charges less than the payment rate established by DCY rules will receive the DCY rate for providing PFCC rather than the lower rate the provider customarily charges.

Payments based on enrollment not attendance

(R.C. 5104.30, 5104.32 (primary), 5104.36, and 5104.38)

The bill requires DCY, beginning July 1, 2026, to calculate publicly funded child care payments based on a child's enrollment with a participating child care provider. Under current law, payments are instead based on a child's attendance. The bill also makes corresponding

[18] 42 U.S.C. 9858c(c)(2)(N)(i)(I) and 45 C.F.R. §98.21(a).

[19] 45 C.F.R. Part 98. Ohio has been granted a temporary waiver of this requirement.

changes in the law governing publicly funded child care in order to reflect this change in payment calculations.

Child care prices

(R.C. 5104.30 and 5104.302 (primary))

While maintaining the current law requirement that the DCY Director establish by rule in each odd-numbered year payment rates for PFCC providers, the bill authorizes the Director to contract with a third-party entity to analyze child care price information for the subsequent even-numbered year.

In-home aide continuous certification

(R.C. 5104.12)

The bill removes the requirement for in-home aides to renew certification every two years. Continuous licensure is already available to other child care provider types. An in-home aide is a person who (1) is certified by a county director of job and family services to provide publicly funded child care in a child's own home and (2) does not reside with the child.

Child Care Choice Voucher Program

(Section 423.190)

The bill requires DCY to establish the Child Care Choice Voucher Program. DCY launched the Child Care Choice Voucher Program administratively in April 2024. Subject to available funds, the program is to provide support, in the form of vouchers, to eligible families to assist them with child care costs.

To be eligible to participate, a family must meet all of the following conditions:

1. The caretaker parent is employed or participating in a program of education or training for an amount of time reasonably related to the time that the parent's children are receiving child care;

2. The family does not meet the income conditions for initial eligibility under the publicly funded child care program administered by the Department, but the maximum amount of the family's income does not exceed 200% of the federal poverty line; and

3. The family meets any other condition established by the Department.

In providing vouchers, the program must utilize, not later than November 1, 2026, the payment rates established for DCY's publicly funded child care program, except that the payment rates must not be enhanced payment rates available for participating in DCY's Step Up to Quality Program.

The bill also prohibits the voucher program from requiring a type A family child care home or licensed type B family child care home that participates in the voucher program to be rated through Step Up to Quality.

Early Childhood Education Grant Program

(R.C. 5104.01, 5104.29, 5104.38, and 5104.60 (primary))

The bill codifies the Early Childhood Education Grant Program and establishes it in DCY, with the aim of supporting and investing in Ohio's early learning and development programs. For purposes of the bill, an early learning and development program includes a licensed child care center, licensed family child care home, and licensed preschool. Subject to available funds, grants are to be awarded to programs meeting the bill's eligibility conditions and in amounts that correspond to the number of eligible children served by the programs.

Eligibility

To be eligible for a grant, an early learning and development program must demonstrate all of the following:

- That the program is rated through the Step Up to Quality Program at the ratings tier specified by the DCY Director in rules;
- That the program provides early learning and development services to one or more preschool-aged children, defined to mean children aged three or older but not yet enrolled, or eligible to enroll, in kindergarten;
- That the program meets any other eligibility condition specified by the Director in rules.

In addition to establishing eligibility conditions for early learning and development program eligibility, the bill also sets them for the preschool children receiving services from those programs. If a slot is available, a preschool child is eligible to participate in the grant program if the child's family income does not exceed 200% of the federal poverty line. Alternatively, a child is eligible – regardless of family income – if an individualized education program (IEP) has been developed for the child, the child is placed in foster or kinship care, or the child is homeless.

A preschool child also must be a U.S. citizen or qualified alien and meet any other eligibility condition set by the Director in rules.

Distribution of funds

The bill generally requires funds appropriated to the program to be distributed to grant recipients, and prohibits more than 2% to be used for program support and technical assistance.

Rulemaking

The Director is required to adopt rules to administer the program, including rules addressing:

- Eligibility conditions and other requirements for early learning and development programs, including the Step Up to Quality ratings tier, and for preschool children;
- Standards, procedures, and requirements for applying for and distributing funds to grant recipients;
- Methods by which DCY may recover any erroneous payments.

Child Care Cred Program

(R.C. 5104.54; Sections 423.10 and 423.85)

The bill creates the Child Care Cred Program in DCY, under which the costs of child care are shared by participating employees, their employers, and (subject to available funds) DCY. The distribution of costs are as follows: employees are responsible for 40%, employers are responsible for 40%, and DCY is responsible for 20%. The program has the following goals: to enable employers to attract and retain talent, to assist employees with child care costs, and to help sustain the businesses of child care providers.

Eligible employees must reside in Ohio, have a family income that does not exceed 400% of the federal poverty level, and have been selected for participation by their employer. Employers must be located in Ohio and have selected one or more of their employees for participation. Eligible child care providers must hold a DCY license or be certified by a county department of job and family services. The bill prohibits DCY from requiring providers to participate in Step Up to Quality.

Employees and employers must submit a joint application to DCY. Once determined eligible, that determination remains valid as long as the employee, employer, and child care provider continue to satisfy the eligibility conditions. Under the program, the employee selects the child care provider, which may include a provider where their child is already enrolled. The employer may agree to contribute some of all of the employee's share of child care costs. DCY may require the employee, employer, and provider to sign a memorandum of understanding as a condition of participation.

The bill tasks DCY with coordinating and performing all administrative activities associated with sharing the child care costs and making payments to providers and permits DCY to adopt rules as necessary to implement the program. If DCY finds that an employee or employer has committed fraud, misrepresentation, or deception in applying for or participating in the program, the employee or employer are permanently ineligible for the program. The bill appropriates $10 million in FY 2026 for the program.

Child Care Provider Recruitment and Mentorship Grant Program

(Section 751.30)

The bill establishes the Child Care Provider Recruitment and Mentorship Grant Program, under which DCY is to award grants to eligible organizations to increase Ohio's supply of licensed child care providers, including at least 120 new family child care homes, and to assist recruited providers in establishing and operating child care businesses and adopting business practices that best serve the needs of Ohio's families. DCY must operate the program until July 1, 2027.

Over the course of the grant period, each grant recipient must identify and recruit those interested in operating family child care homes (especially in areas with limited access to such homes); partner with prospective child care providers to assist them in developing and implementing child care business models; assist them in obtaining a license; and mentor licensed

providers in operating, maintaining, and expanding child care businesses. To be eligible for a program grant, an applicant must demonstrate that it is able to do all of the following:

1. In collaboration with DCY and relevant stakeholders, plan, staff, and hold events, either in-person or virtually, to identify and recruit prospective child care providers;

2. Develop informational materials to assist licensed child care providers with marketing, advertising, and outreach;

3. Establish a software platform, with a customizable dashboard, that may be accessed by licensed child care providers to assist them with tasks such as marketing their businesses, enrolling children, communicating with families, billing for services, and reporting expenses;

4. Offer and provide coaching and training to child care staff employed by licensed child care providers, which may include in-person, group training sessions, on-site coaching visits, community forums, and other events;

5. Perform any other activity DCY considers relevant.

DCY must review each application it receives and determine whether the applicant is eligible. If so, subject to available funds, DCY must award a grant to the recipient, which expires at the close of FY 2027. As a condition of continued funding, each grantee must submit periodic reports to DCY describing its progress in partnering with, assisting, and mentoring prospective and licensed child care providers, in particular the number and content of trainings offered by the recipient, the types of software or website platforms the recipient makes available to child care providers, and any other information the Department considers necessary.

Transfer preschool reporting to DCY

(R.C. 3301.57)

The bill transfers existing oversight obligations for preschool and school child programs from the joint responsibility of DCY and the Department of Education and Workforce to DCY alone. Transferred oversight obligations include:

1. Providing consultation and technical assistance to school districts, county boards of developmental disabilities, community schools, authorized private before and after school care programs, and eligible nonpublic schools operating preschool programs or school child programs;

2. Providing in-service training to staff members and nonteaching employees of those entities;

3. Inspecting each preschool program or licensed school child program at least once per year; and

4. Filing an annual report on inspections with the Governor, Senate President and Minority Leader, and Speaker and Minority Leader of the House by January 1 each year.

Kindergarten readiness assessment

(R.C. 3301.0714, 3301.0715, 3302.03, and 5104.052, repealed)

The bill repeals the law that requires school districts to administer a kindergarten readiness assessment to each kindergarten student between July 1 and the 20th day of the school year. Accordingly, it eliminates the requirement for DCY to develop the assessment and make it available to school districts at no cost.

Step Up to Quality – peer review appeal process

(R.C. 5104.292)

The bill authorizes an early learning and development program, which includes a licensed child care center, licensed family child care home, and licensed preschool program, to appeal a decision of the DCY Director to do any of the following:

1. Refuse to rate the program in the Step Up to Quality Program;

2. Reduce the program's Step Up to Quality rating;

3. Remove the program's Step Up to Quality rating.

The appeal must be filed with the DCY Director not later than 15 days after the program receives notice of the decision.

Hearing

The DCY Director must hear the appeal not later than 45 days after its filing and requires the hearing to be conducted either in-person or through virtual means. The program appealing the DCY Director's decision must be allowed to participate in the hearing, including by asking and answering questions and offering evidence in support of the program's position.

Initial determination

Not later than 15 days after the hearing, the DCY Director must make an initial determination as to whether the decision to refuse, reduce, or remove a Step Up to Quality rating should be upheld or reversed.

Review panel

As soon as practicable after making an initial determination, the DCY Director must convene a panel to review both the initial determination and evidence presented at the hearing. The panel must consist of a member representing DCY, though not the individual who recommended that the program's rating be refused, removed, or reduced or that individual's direct supervisor, and two members each representing an early learning and development program and each participating in the Early Childhood Education and Care Advisory Group for DCY's Children and Youth Advisory Council. The review panel is to meet either in-person or through virtual means.

As soon as practicable after convening, the panel must make a recommendation to the DCY Director as to whether the DCY Director's initial determination should be enforced and made public. The bill requires the DCY Director to consider the recommendation.

Final determination

As soon as practical after the review panel's recommendation, the DCY Director must make a final determination as to whether the decision to refuse, reduce, or remove a Step Up to Quality rating should be enforced and made public.

Ohio professional registry

(R.C. 5104.60)

The bill requires the DCY Director to contract with a third-party entity to develop a registry information system to provide – on an ongoing basis – training and professional development opportunities to employees of early learning and development programs that are funded under the federal Child Care and Development Block Grant. The registry information system is to be known as the Ohio Professional Registry.

The bill also requires that the registry information system comply with requirements set forth in the federal Child Care and Development Block Grant Act[20] and regulations adopted under it.

II. Child Welfare

Summary suspension of the certificate of an institution or association

(R.C. 5103.039)

The bill allows DCY to suspend the certificate of an institution or association, including a foster caregiver, without a prior hearing under certain circumstances. Existing law generally defines an institution or association as a public or private entity or a nonrelative individual (including the operator of a foster home) receiving or caring for children for two or more consecutive weeks.[21]

The bill specifies the following as circumstances for suspension:

- A child dies or suffers a serious injury while placed or residing with the institution or association, including a foster home.
- A public children services agency (PCSA) receives a report of abuse or neglect, and the person alleged to have inflicted the abuse or neglect and is the subject of the report is any of the following:
  - A principal of the institution or association;
  - An employee or volunteer of the institution or association who has not immediately been placed on administrative leave or released from employment;

[20] 42 U.S.C. 9857 to 9858r.

[21] R.C. 5103.02(A)(1).

- For a foster home, any person who resides in the home.

- One of the following individuals is charged by an indictment, information, or complaint with an offense relating to the death, injury, abuse, or neglect of a child:
  - A principal of the institution or association;
  - An employee or volunteer of the institution or association who has not immediately been placed on administrative leave or released from employment.
- DCY, the recommending agency, a PCSA, or a CDJFS determines that a principal, employee, or volunteer of the institution or association, including a foster caregiver, or a resident of the foster home, created a serious risk to the health or safety of a child placed therein that resulted in or could have resulted in a child's death or injury.
- DCY determines that the owner of the institution or association or foster caregiver does not meet: (a) the criminal records check requirements for a person employed or appointed to be responsible for a child's care in out-of-home care, (b) the background check requirements for subcontractors, interns, or volunteers at an institution or association, or (c) the criminal records check requirements for a person to be appointed or employed in a residential facility.

The bill defines a principal as any of the following:

- The institution or association's administrator or director;
- The institution or association's owners or partners;
- Members of the institution's or association's governing body;
- A foster caregiver.

If DCY suspends a license without a prior hearing, it must comply with existing law notice requirements, and a principal of an institution or association, including a foster caregiver, may request an adjudicatory hearing. Notice and hearing must be conducted pursuant to the Administrative Procedure Act (R.C. Chapter 119). If a hearing is requested and DCY does not issue its final adjudication order within 120 days after the suspension, the suspension is void on the 121st day, unless the hearing is continued on agreement by the parties or for good cause.

A summary suspension remains in effect until any of the following occurs:

- The PCSA completes its investigation of the report of abuse and neglect and determines that all of the allegations are unsubstantiated.
- All criminal charges are disposed of through dismissal or a finding of not guilty.
- DCY issues a final order terminating the suspension in accordance with the Administrative Procedure Act.

The bill prohibits an institution or association from accepting the placement of children while a summary suspension remains in effect. Upon issuing the order of suspension, DCY must

place a hold on the certificate or indicate that the certificate is suspended in the Statewide Automated Child Welfare Information System.

The bill allows the DCY Director to adopt rules in accordance with the Administrative Procedure Act to establish standards and procedures for the summary suspension of certificates. The bill also specifies that these provisions do not limit DCY's authority to revoke a certificate under existing law adjudication procedures.

Requirements for group homes

(R.C. 5103.0520; Section 751.100)

The bill establishes requirements for group homes for children. Under existing law, a group home for children includes any public or private facility that is operated by a private child placing agency, private noncustodial agency, or PCSA that has been certified for operation by DCY and meets all of the following criteria:

- Gives, for compensation, a maximum of ten children (including children of the operator or any staff who reside in the facility) nonsecure care and supervision 24 hours a day by individuals who are unrelated to, or not appointed guardians of, any of the children;
- Is not certified as a foster home;
- Receives or cares for children for two or more consecutive weeks.[22]

The bill requires the DCY Director to adopt rules in accordance with the Administrative Procedure Act to establish requirements regarding the following for group homes:

- The use of the Ohio Professional Registry, as operated by the Ohio Child Care Resource and Referral Association or its successor organization or entity, to complete background checks or criminal records checks required under existing law for individuals overseeing or working at a group home;
- Training on behavioral intervention, including the use of de-escalation, for all new and existing individuals working at a group home;
- The supervision of children, including a ratio of at least one staff person for every five children or, if the home accepts placement of fewer than five children, one staff person for every four children.

The group home operator must comply with the above ratio requirements as a requirement for certification. The law carves out an exception – the operator cannot displace a child who is placed in the group home as of the bill's effective date in order to comply with the ratio requirements; however, the operator cannot accept the placement of additional children until the group home has complied with the ratio requirements.

[22] R.C. 5103.05(A)(6), not in the bill.

The bill allows the DCY Director to suspend or revoke the certificate of a group home in accordance with existing procedures under the Administrative Procedure Act (R.C. Chapter 119) for any violation of these provisions.

Regional wellness campuses

(Section 423.120)

The bill requires DCY to assist with the establishment of regional child wellness campuses. DCY must provide one-time funding to establish the campuses across the state to serve children and youth who: (1) have been determined by a PCSA to be at risk of being, or currently are, in the PCSA's custody, (2) are not yet placed in a licensed residential setting, and (3) are spending one or more nights in an unlicensed setting.

For children in crisis, regional child wellness campuses must support them in or near the communities in which the children reside and must create additional capacity for short-term treatment.

DCY is to select entities to serve as regional wellness campuses after a competitive application. To be eligible, an entity must provide proof of local funding commitments that fulfill all necessary start-up costs as well as ongoing community commitments to ensure timely and appropriate delivery of services to meet the needs of the child, their family, and the community.

Prevention services

(R.C. 2151.421, 2151.423, and 5153.16)

The bill changes the intended beneficiary of prevention services and allows, instead of requires, a PCSA to make a prevention services referral. Under existing law, when a PCSA makes a report and determines after an investigation that a child is a candidate for prevention services, the PCSA must refer the report for assessment and services to an agency providing prevention services. This act fulfills a PCSA responsibility to make efforts to prevent neglect or abuse, enhance a child's welfare, and preserve the family unit intact. Existing law also allows a PCSA to disclose confidential information discovered during an investigation to any federal, state, or local government entity that needs the information to carry out its responsibilities to protect children from abuse or neglect. These governmental entities include any appropriate military authority or an agency providing prevention services to a child.

First, the bill specifies that prevention services are provided to the *family*, instead of just the child. The bill changes this specification in the law regarding referrals and the disclosure of confidential information to a prevention services provider.

Second, the bill allows, but no longer requires, PCSAs to make referrals for prevention services if a family is determined to benefit from those services. The bill also adds as a qualifier that a PCSA may make referrals if appropriate prevention services are available from a local provider or other reasonable source. Because of this change, the bill also clarifies that an existing PCSA duty to enter into a contract with an agency providing prevention services applies only when referring a family for prevention services.

Mandatory reporter of child abuse and neglect

(R.C. 2151.421)

The bill adds an employee of an entity providing home visiting services under the Help Me Grow program as a mandated reporter of child abuse and neglect. The Help Me Grow program is the state's evidence-based parent support program that encourages early prenatal and well-baby care and provides parenting education to promote the comprehensive health and development of children. The program provides home visiting services to families with a pregnant woman or child under five years of age that meet certain eligibility requirements.[23]

Request for proposals to establish rate cards

(R.C. 5101.141 (5180.42) and 5101.145 (5180.422))

The bill allows DCY to issue a request for proposals to establish statewide rate cards for placement and care of children eligible for foster care maintenance payments. If a request for proposals is issued, DCY must review and accept the reasonable cost of covering the following under continuing law: (1) a child's food, clothing, shelter, daily supervision, school supplies, personal incidentals, and reasonable travel to a child's home for visitation, (2) liability insurance with respect to the child and services provided under any federal Title IV-E demonstration project, and (3) with respect to a child in a child-care institution, such as a group home, administration and operating costs.

Additionally, the bill allows (rather than requires as in current law) DCY to establish (1) a single form for the agencies or entities that provide placement services to children to report costs reimbursable under Title IV-E and Medicaid, and (2) procedures to monitor the cost reports submitted by the agencies or entities.

Benefits to children under the custody of a Title IV-E agency

(R.C. 5103.09)

The bill requires a Title IV-E agency that receives care and placement of a child to determine if the child is eligible for or receives payments or survivor benefits administered by any of the following:

- The U.S. Social Security Administration;
- The U.S. Department of Veterans Affairs;
- The Ohio Public Employee Retirement System;
- The Ohio Police and Fire Pension Fund;
- The State Teachers Retirement System of Ohio;
- The School Employees Retirement System of Ohio;

[23] R.C. 5180.21.

- The Ohio Highway Patrol Retirement System.

If the child is eligible for or receiving those benefits, the agency is prohibited from using the child's benefits to pay for or reimburse the agency, county, or state for any cost of the child's care. The bill allows DCY to adopt rules in accordance with R.C. 111.15 rulemaking provisions to implement these requirements, including the establishment of any new procedures that are necessary to assist a Title IV-E agency with compliance.

The bill adopts the existing law definition of a "Title IV-E agency," which is a public children services agency or a public entity with which JFS or DCY have a Title IV-E subgrant agreement in effect.[24]

Foster care adoption waiting period removal

(R.C. 3107.012 and 3107.031)

The bill removes the six-month waiting period from the current law requirement that a foster child must reside in a foster caregiver's home for at least six months before the foster caregiver (1) may submit an adoption application for the foster child, and (2) is exempt from home study requirements for the purpose of ascertaining whether a person seeking to adopt a minor is suitable to adopt.

Ohio Adoption Grant Program changes

(R.C. 2921.13, 5101.191 (5180.451), 5101.192 (5180.452), 5101.193 (5180.453), and 5101.194 (5180.454))

Continuing law requires that the DCY Director must provide *one, but not both* (changed to *either* by the bill), of the following one-time payments for an adopted child to the child's adoptive parent if specified requirements are satisfied regarding the child:

1. $10,000;

2. $15,000, if the parent was a foster caregiver for the child prior to adoption.

The bill specifies that the grant must be provided to all eligible applicants to the extent state funds are available for this purpose.

The bill adds the requirement that, to receive a grant, the adoptive parent must have been an Ohio resident at the time the adoption was finalized. Under continuing law, to be eligible to receive a grant, all of the following must be satisfied:

1. The adoptive parent cannot have previously received a grant from the program for the same child;

2. The adoptive parent cannot claim a formerly available adoption tax credit for the adopted child;

[24] R.C. 5101.132, renumbered to 5180.402 in the bill.

3. The adoptive parent must apply for the grant within one year after the adoption is finalized;

4. The adoption cannot be a stepparent adoption; and

5. The adoption must have been finalized on or after January 1, 2023.

The bill prohibits any person from knowingly producing or submitting any false or misleading documentation or information to DCY in an effort to qualify for or obtain a grant. Whoever violates the prohibition is guilty of falsification, a first degree misdemeanor.

Continuing law allows the DCY Director to require one or both of the following, as necessary to administer the Grant Program: (1) the submission of court or other documents necessary to prove the adoption, (2) any department, agency, or division of the state to provide any document related to the adoption. The bill makes the following changes to those requirements:

1. Clarifies that any court or legal documents necessary to prove an adoption must be *certified copies*.

2. Adds that any court, in addition to any department, agency, or state division may be required to provide any document related to the adoption.

Additionally, the bill states that any document provided to DCY as part of a grant application remains confidential if it was confidential under any state or federal law before being provided.

Removal of Kinship Support Program state hearing rights

(R.C. 5101.1411 (5180.428))

The bill removes the option for a state hearing when DCY denies or terminates payments under the Kinship Support Program. Existing law, unchanged by the bill, generally requires that an individual who appeals a decision or order of an agency administering a family services program under federal or state law be granted a state hearing at the individual's request.[25] The bill, therefore, removes an individual's ability to appeal a determination regarding the Kinship Support Program. Other programs under this section that are still subject to a state hearing are foster care assistance, kinship guardianship assistance, and adoption assistance payments.

Ohio Children's Trust Fund

(R.C. 3109.171, 3109.172, 3109.173, and 3109.178; Section 731.10)

Child abuse and child neglect regional prevention councils

The bill makes changes regarding child abuse and child neglect regional prevention councils, including the elimination of existing child abuse and child neglect prevention regions, changes to council member terms and appointments, and changes to the selection of a regional coordinator to a council. Under existing law, one of the duties of the Ohio Children's Trust Fund

[25] R.C. 5101.35.

(OCTF) Board is to establish a strategic plan for child abuse and child neglect prevention. In developing and carrying out the plan, the Board must implement child abuse and neglect prevention programs.[26] The law establishes child abuse and child neglect prevention regions to administer this programming. Each region must have a child abuse and child neglect regional prevention council. The OCTF Board and boards of county commissioners must appoint county prevention specialists as members to each council. These specialists include professionals who work in child welfare, health care, and other relevant areas that provide services to children.

The bill eliminates law establishing eight child abuse and child neglect prevention regions and the counties encompassing each region. It instead requires the OCTF Board, in consultation with DCY, to determine the number of regions and the counties within each region. Each county in the state must be included in a region.

The bill reduces the term of a member of a child abuse and child neglect regional prevention council appointed by the OCTF Board from three years to two years. Under existing law, each board of county commissioners within a region may appoint up to two county prevention specialists representing the county, and the Board may appoint additional members at the Board's discretion. The bill maintains the two-year terms for council members appointed by a board of county commissioners. The bill also clarifies that, notwithstanding this reduction in term for Board-appointed members, a member serving on the council on the effective date of the bill may complete the member's term of office.

The bill clarifies that a council member selected as chairperson of a council is eligible to be reappointed by the original appointing authority, and that the reappointment of a chairperson by a board of county commissioners is not considered to be one of the two appointments that a board of commissioners is allotted. Under existing law, a chairperson must be selected by the council's regional prevention coordinator from among the county prevention specialists serving on the council.

Finally, the bill allows, rather than requires, the OCTF Board to select a regional prevention coordinator for a child abuse and child neglect regional prevention council through a competitive selection process. Under existing law, each regional prevention council must be under the direction of a regional prevention coordinator. The bill requires OCTF staff to serve as coordinator for any region for which the Board has not selected a regional coordinator through a competitive selection process.

Start-up costs for children's advocacy centers

The bill allows an entity to request a one-time payment of up to $5,000 from the OCTF Board for start-up costs to establish and operate a children's advocacy center that will serve at least one county. Existing law allows a child abuse and child neglect regional prevention council to request this money for each county within the council's region. In authorizing the entity seeking to establish the center to request the money instead of a regional prevention council,

[26] R.C. 3109.17, not in the bill.

the bill also eliminates a requirement that a children's advocacy center must serve each county in the council's region or two or more contiguous counties within the region.

III. Councils

County family and children first councils

(R.C. 121.37)

The bill makes several changes to the membership requirements for county family and children first councils, the purpose of which is to streamline and coordinate existing government services for families seeking assistance for their children. It removes the prohibition that an individual whose family receives or has received services from an agency represented on a county council cannot serve on the council if the individual is employed by an agency represented on the council. However, if such an individual is employed by an agency represented on the council, the individual must complete a conflict of interest disclosure form and abstain from any vote that involves the individual's employer. County councils are allowed, rather than being required as in current law, to have 20% of their membership be members representing families, where possible. Finally, district-level administrative designees with decision making authority can be included as county council members. The designees are alternatives to the continuing law requirement that membership include (1) the superintendent of the school district with the largest number of pupils residing in the county, as determined by the Department of Education and Workforce, and (2) a school superintendent representing all other school districts with territory in the county, as designated by the superintendents of those districts.

The bill also allows, rather than requires as in current law, a county council's administrative agent to send notice of a member's absence to the board of county commissioners and other persons or entities specified in continuing law if the member has been absent from either three consecutive meetings of the county council or a subcommittee or from ¼ of the meetings in a calendar year, whichever is less.

The bill permits a board of county commissioners, by passing a resolution, to decline to establish or maintain a county council if it determines all the following conditions exist in the county:

- Alternative programs and services exist to meet the needs of those served by a county council;
- A county council is not or would not be sufficiently funded to make it financially sustainable; and
- The director of the county department of job and family services, PCSA executive director, and county board of developmental disabilities each recommend to the county commissioners that a county council not be established or maintained.

Under the bill, a county's board of county commissioners that has decided not to establish or maintain a county council may reconsider that decision at any time. However, the board must reconsider the decision no later than five years after it decided not to establish one. In

reconsidering the decision, the board is required to determine whether all the conditions described above exist.

Advisory council consolidation

(R.C. 5104.39, 5104.50 (5180.04), 5180.21, and R.C. 5180.22; repealed R.C. 5104.08, 5180.23, and 5180.34)

The bill requires the Governor to create the Children and Youth Advisory Council. The Council is responsible for advising the Governor on the availability, accessibility, affordability, and quality of services provided through the prenatal and child-serving systems. This includes fostering a continuum of care that promotes family-centered programs and services that acknowledge and support the social, emotional, cognitive, intellectual, and physical development of children and the vital role of families in ensuring the well-being and success of children.

The Council also fulfills two federal obligations. It serves as the state advisory council on early childhood education and care required for participation in Head Start, which promotes school readiness for young children from income-eligible families.[27] It also serves as the state interagency coordinating council for early intervention services, which provide services to infants and toddlers with disabilities or developmental delays.[28]

The Governor is responsible for appointing up to 25 members to the Council, including representatives from DCY, the Department of Medicaid, the Department of Job and Family Services (JFS), the Department of Behavioral Health, the Department of Education and Workforce (DEW), the Department of Health (ODH), the Department of Developmental Disabilities, and the Department of Youth Services (DYS). The Governor also must appoint at least one representative from each of the following stakeholder groups, selected from multi-sized municipal corporations and geographically diverse areas of the state, including rural, urban, and suburban areas: maternal and infant vitality, early intervention, home visiting, early childhood education, child care centers and family child care homes providing publicly funded child care, school child programs, preschool programs, and children's services. As a whole, membership of the Council must reasonably represent the population of the state. The Governor must appoint a chairperson, and the DCY Director will serve as co-chair.

The Council must create topic-specific advisory groups addressing a continuum of services, including (1) early childhood education and care, (2) children services, (3) maternal and infant vitality, (4) early childhood mental health services and supports, and (5) early intervention services. Each representative of a stakeholder group must be appointed to at least one topic-specific advisory group. A representative of DCY may not serve as the chairperson for any topic-specific advisory group. The Governor may appoint additional members as necessary to the early childhood education and care advisory group and the early intervention services advisory group to satisfy federal requirements.

[27] 42 U.S.C. 9837b(b)(1).

[28] 20 U.S.C. 1441.

The bill eliminates four existing councils whose functions are largely absorbed by the Children and Youth Advisory Council. The four eliminated councils are:

1. The Child Care Advisory Council, which provides advice and assistance regarding the administration and development of child care;

2. The Ohio Home Visiting Consortium, which ensures that home visiting services provided in Ohio are delivered through evidence-based or innovative, promising home visiting models;

3. The Early Intervention Services Advisory Council, which serves as the state interagency coordinating council for early intervention services; and

4. The Early Childhood Advisory Council, which serves as the state advisory council on early childhood education and care and promotes family-centered programs and services.

IV. DCY duties

Autism services contracts

(R.C. 3323.32)

The bill requires DCY – when applicable – to contract with an entity to administer programs and coordinate services for infants, preschool and school-age children, and adults with autism and low incidence disabilities. The bill does not describe the circumstances that trigger this duty. This requirement mirrors existing law requiring DEW to contract with an entity to administer such programs and coordinate such services, though without using the phrase "when applicable."

The bill also eliminates the current law requirement that the DEW Director give primary consideration to the Ohio Center for Autism and Low Incidence when DEW contracts for those programs and services.

Biennial summit on home visiting

(R.C. 5180.24, repealed)

The bill repeals the requirement that DCY, beginning in FY 2026, facilitate, and allocate funds for, a biennial summit on home visiting services. The summit is intended to convene people and government entities involved with the delivery of home visiting services in Ohio and share the latest research on home visiting, discuss strategies regarding evidence-based home visiting models and tobacco use reduction, and present challenges and successes encountered by home visiting programs.

DCY transfers, conforming changes, and recodification

(R.C. Chapters 5101 and 5180; conforming changes in numerous other R.C. sections)

The bill makes numerous changes regarding the duties and responsibilities of DCY. Most of the changes are conforming, corrective, or technical. However, the bill also transfers or adds new responsibilities regarding specific programs to DCY.

The bill makes conforming changes and technical corrections to reflect the transfer of various responsibilities to DCY in H.B. 33 of the 135th General Assembly, the FY 2024-FY 2025 main operating budget. In 2023, H.B. 33 established DCY to serve as the state's primary children's services agency. The bill adds references to DCY in sections of law where H.B. 33 transferred various duties, programs, and functions to the agency.

The bill also removes obsolete language related to deadlines to fulfill various duties that have already passed.

Finally, the bill relocates and recodifies numerous Revised Code sections that relate to the duties and responsibilities of DCY to Chapter 5180, the DCY chapter of the Revised Code. The following table outlines the recodification and includes a brief description of each section as well as sections in which cross-references to existing law sections were updated.

DCY recodification			
New R.C. section	**Current R.C. section**	**Description**	**R.C. sections with cross-reference updates**
5180.26	5101.76	Procurement of epinephrine autoinjectors for camps	3728.01, 4729.01, 4729.541, 4730.433, 4723.483, 4731.96
5180.261	5101.77	Procurement of inhalers for camps	4729.541
5180.262	5101.78	Procurement of glucagon for camps	4723.4811, 4729.01, 4729.541, 4730.437, 4731.92
5180.27	3738.01	Pregnancy-Associated Mortality Review Board (PAMR)	121.22, 149.43, 3738.09 (5180.278)
5180.271	3738.02	PAMR: review while criminal investigation is pending	3738.01 (5180.27)
5180.272	3738.03	PAMR: members, quorum, meetings	
5180.273	3738.04	PAMR: reduction of pregnancy-associated deaths	
5180.274	3738.05	PAMR: production of documents; family member participation	
5180.275	3738.06	PAMR: confidentiality	3738.09 (5180.278)

DCY recodification			
New R.C. section	**Current R.C. section**	**Description**	**R.C. sections with cross-reference updates**
5180.276	3738.07	PAMR: immunity from civil liability	
5180.277	3738.08	PAMR: reports	149.43, 3738.06 (5180.275), 3738.09 (5180.278)
5180.278	3738.09	PAMR: rulemaking	3738.01 (5180.27), 3738.03 (5180.272), 3738.04 (5180.273)
5180.40	5101.13	Statewide Automated Child Welfare Information System (SACWIS): establishment	149.38, 1347.08, 2151.421, 3107.033, 3107.034, 5101.131 (5180.401), 5101.132 (5180.402), 5101.133 (5180.403), 5101.134 (5180.404), 5101.135 (5180.405), 5101.899, 5103.18
5180.401	5101.131	SACWIS: confidentiality	
5180.402	5101.132	SACWIS: access	5101.131 (5180.401) 5101.133 (5180.403), 5101.134 (5101.404), 5103.18
5180.403	5101.133	SACWIS: use and disclosure	5101.134 (5180.404), 5101.99
5180.404	5101.134	SACWIS: rulemaking	5101.133 (5180.403)
5180.405	5101.135	SACWIS: notation of shaken baby syndrome	5180.14
5180.406	5101.136	SACWIS: request for search	
5180.407	5101.137	SACWIS: expungement	
5180.41	5101.14	Payments to counties for children services	
5180.411	5101.144	Children services fund	5101.14 (5180.41), 5101.141 (5180.42), 5705.14
5180.42	5101.141	Administering federal payments for foster care and adoption assistance	2151.45, 2151.451, 5101.141 (5180.42), 5101.145 (5180.422), 5101.146 (5180.423), 5101.1410 (5180.427), 5101.1413 (5180.4210), 5101.1416

DCY recodification			
New R.C. section	**Current R.C. section**	**Description**	**R.C. sections with cross-reference updates**
			(5180.4213), 5101.1417 (5180.4214), 5101.35, 5101.89, 5103.32, 5153.122, 5153.16, 5153.163
5180.421	5101.142	Conducting a demonstration project expanding Title IV-E eligibility	5101.141 (5180.42)
5180.422	5101.145	Rules on financial requirements for agencies that provide Title IV-E placement services	
5180.423	5101.146	Penalties for noncompliance with fiscal accountability procedures	5101.1410 (5180.427)
5180.424	5101.147	Notification of noncompliance with fiscal accountability procedures	
5180.425	5101.148	No unnecessary removal of children due to sanction	
5180.426	5101.149	No personal loans from children services fund	
5180.427	5101.1410	Certifying a claim to the Attorney General	
5180.428	5101.1411	Federal payments for foster care and adoption assistance for emancipated young adults (EYA) and adopted young adults (AYA)	2151.451, 2151.452, 2151.453, 5101.141 (5180.42), 5101.1412 (5180.429), 5101.1413 (5180.4210), 5101.1414 (5180.4211), 5101.1415 (5180.4212), 5101.1417 (5180.4214), 5101.802 (5180.52)
5180.429	5101.1412	Voluntary participation agreement for EYA care and placement	5101.1414 (5180.4211)
5180.4210	5101.1413	Payment of nonfederal share	5101.1414 (5180.4211)

DCY recodification			
New R.C. section	**Current R.C. section**	**Description**	**R.C. sections with cross-reference updates**
5180.4211	5101.1414	Rulemaking EYAs	5103.30
5180.4212	5101.1415	Applicability of EYA/AYA provisions	
5180.4213	5101.1416	Kinship Guardianship Assistance (KGA): establishment	5101.141 (5180.42), 5101.1417 (5180.4214), 5153.163
5180.4214	5101.1417	Rules to carry out federal foster care, adoption, and KGA	5101.141 (5180.42)
5180.43	5101.1418	Post adoption special services subsidy payments	
5180.44	5101.15	Schedule of reimbursement for child welfare workers	
5180.45	5101.19	Adoption grant program (AGP): definitions	5101.19 (5180.45), 5101.191 (5180.451)
5180.451	5101.191	AGP: creation	5101.192 (5180.452), 5101.193 (5180.453), 5747.01
5180.452	5101.192	AGP: eligibility	5101.191 (5180.451)
5180.453	5101.193	AGP: rules	5101.193 (5180.453), 5101.194 (5180.454)
5180.454	5101.194	AGP: public records	5101.19 (5180.45), 5101.191 (5180.451)
5180.50	5101.85	Kinship caregiver definition	124.1312, 2151.316, 2151.416, 2151.4115, 2151.424, 3107.01, 3310.033, 3317.022, 5101.802 (5180.52), 5101.88 (5180.53), 5103.02, 5103.0329
5180.51	5101.851	Statewide Kinship Care Navigator Program (KCNP)	5101.85 (5180.50), 5101.853 (5180.511)
5180.511	5101.853	KCNP: establishment of regions	5101.854 (5180.512)
5180.512	5101.854	KCNP: content	

DCY recodification			
New R.C. section	**Current R.C. section**	**Description**	**R.C. sections with cross-reference updates**
5180.513	5101.855	KCNP: rulemaking	
5180.514	5101.856	KCNP: funding	5101.85 (5180.50)
5180.52	5101.802	Kinship Permanency Incentive Program	5101.80, 5153.16
5180.53	5101.88	Kinship Support Program (KSP): definitions	
5180.531	5101.881	KSP: creation	3119.01, 5101.88 (5180.53)
5180.532	5101.884	KSP: eligibility	5101.885 (5180.533), 5101.887 (5180.535)
5180.533	5101.885	KSP: payment amount	
5180.534	5101.886	KSP: payment time limited	5101.887 (5180.535)
5180.535	5101.887	KSP: ceasing payment	
5180.536	5101.8811	KSP: rulemaking	5101.88 (5180.53)
5180.56	5101.8812	Inalienability of kinship benefits	
5180.57	5101.889	Foster care maintenance for kinship caregiver certified as foster home	
5180.70	5101.34	Ohio Commission on Fatherhood (OCF): creation	5101.805 (5180.704)
5180.701	5101.341	OCF: members and funding	5101.342 (5180.702)
5180.702	5101.342	OCF: state summits on fatherhood	
5180.703	5101.343	OCF: exemption from sunset review	
5180.704	5101.805	OCF: recommendations to DCY	5101.342 (5180.702), 5101.80, 5101.801

DCY recodification			
New R.C. section	Current R.C. section	Description	R.C. sections with cross-reference updates
5180.71	5101.804	Ohio Parenting and Pregnancy Program	5101.80, 5101.801
5180.72	3701.65	"Choose Life" fund	4503.91
5180.73	5180.40	Communication re parenting education programs	
5180.99	3738.06(C) 5101.99(B)	Criminal penalties	

Transfer of additional responsibilities to DCY

(R.C. 3107.062, 3701.045, 5101.33, 5101.892, 5101.899, 5103.021, 5123.191, 5139.05, 5139.08, 5139.34, 3738.01 (5180.27), 3701.045, 3701.65 (5180.72); conforming changes in numerous other R.C. sections)

The bill transfers or adds additional responsibilities related to various programs and entities to DCY. This includes oversight or responsibility regarding the following:

- Oversight of the Pregnancy-Associated Mortality Review Board (established in ODH under existing law);
- Oversight of the "Chose life" fund (controlled by ODH under existing law);
- Oversight of the Putative Father Registry (established by JFS under existing law);
- Oversight of child fatality review boards, with ODH (replaces Children's Trust Fund Board, which currently oversees the boards with ODH under existing law);
- Oversight of scholars residential centers (overseen by JFS under existing law);
- Administration of electronic benefit transfers (adds DCY; existing law grants responsibilities to JFS only);
- Access to DCY records by the Youth and Family Ombudsmen Office (adds DCY; existing law grants access to JFS records only);
- Coordination with DYS regarding placement and oversight of children under DYS commitment;
- Providing technical assistance to a court-appointed receiver of a Department of Developmental Disabilities-licensed residential facility.

The bill also adds the DCY Director to a list of recipients of an annual report that the Youth and Family Ombudsmen Office is required to issue.

OHIO CIVIL RIGHTS COMMISSION

- Revise the timeframe in which the Ohio Civil Rights Commission (OCRC) must authorize the Attorney General to file a housing discrimination lawsuit to not more than 30 days after receiving notice from a party to an OCRC housing discrimination complaint that the party is electing to pursue the claim in court instead of through the administrative process.
- Allows a complainant or an aggrieved person named in an OCRC housing discrimination complaint to file a lawsuit not less than 30 days, but not more than 60 days, after a party to the complaint elects to proceed in court, if OCRC fails to authorize a housing discrimination lawsuit, or the Attorney General fails to file it.

Housing discrimination

(R.C. 4112.055)

The bill revises the time the Ohio Civil Rights Commission (OCRC) has to authorize the Attorney General to file a housing discrimination lawsuit. Under the bill, OCRC must do so not more than 30 days after receiving notice from a party to an OCRC housing discrimination complaint that the party is electing to pursue the claim in court instead of through the administrative process. Currently, OCRC must authorize the Attorney General to file the suit "upon receipt" of a party's written election.

Under the bill, a complainant or an aggrieved person in a housing discrimination complaint may independently file a lawsuit not less than 30 days, but not more than 60 days, after a party to the complaint elects to proceed in court if either:

- OCRC fails to authorize the Attorney General to file the suit as required;
- The Attorney General fails to file the suit within 30 days after receiving OCRC authorization.

The bill does not specifically address a situation in which the respondent to a housing discrimination complaint elects to go to court, but OCRC or the Attorney General fail to act on the respondent's election.

Under continuing law, an aggrieved person in a housing discrimination claim may file a charge with OCRC or sue in the common pleas court for the county in which the alleged discrimination occurred (the person also may sue under a separate provision of the Civil Rights Law that has different timelines and remedies). If the person files a charge with OCRC, OCRC must complete a preliminary investigation of the charge's merits within 100 days after the filing.[29]

When OCRC determines a housing discrimination claim has merit and issues a complaint, the complainant, any aggrieved person on whose behalf the complaint is issued, or the

[29] R.C. 4112.05 and 4112.99, not in the bill.

respondent may elect to proceed with the OCRC administrative hearing process or have the alleged housing discrimination addressed in court. An election to have the alleged discrimination addressed in court must be made in writing within 30 days after the complaint's issuance. The election must be sent by certified mail to OCRC, the Attorney General's office, and the other parties named in the complaint.

DEPARTMENT OF COMMERCE

Division of Financial Institutions

Financial Literacy Education Fund (FLEF)

- Removes the statutory requirement that 5% of all charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities be transferred to the Financial Literacy Education Fund (FLEF).
- Requires the OBM Director to transfer $150,000 from the Consumer Finance Fund (CFF) to the FLEF in each of the next two fiscal years.
- Removes the requirement that at least half of the financial literacy programs be offered at public community colleges and state institutions.
- Removes the requirement that the Director of Commerce (COM Director) provide a report to the Governor and General Assembly on such financial literacy programs.

Earned wage access (EWA) services

- Requires businesses that provide earned wage access (EWA) services to register with the Division of Financial Institutions within the Department of Commerce (COM).
- Establishes a process through which a business may apply for and receive a certificate of registration which includes payment of a $300 annual registration fee.
- Allows the Superintendent of Financial Institutions to impose an additional fee based on fees, tips, gratuities, and donations received by the registrant, not to exceed $2,000, if the cost of administering the EWA law exceeds the amount of annual registration fees collected.
- Requires investigations and background checks for applicants and key officers.
- Allows the Superintendent to utilize the Nationwide Multistate Licensing System (NMLS) to administer applications and background checks.
- Requires registered EWA providers to maintain a net worth of $50,000, alongside assets of at least $50,000 that are in use or readily available for the purposes of the business.
- Allows EWA providers to conduct business online or at a physical location.
- Requires an EWA provider to apply for a new certificate of registration if the provider moves its physical place of business to a different municipal corporation.
- Requires EWA providers to make certain disclosures to consumers concerning fees, terms and conditions, and gratuities.
- Establishes certain consumer rights and protections, including a requirement that EWA providers offer at least one no-cost option by which a consumer may receive an advance.

- Requires EWA providers to reimburse a consumer if the provider's wrongful attempt to recover funds from the consumer's bank account results in an overdraft or nonsufficient funds fee.
- Prohibits an EWA provider from sharing gratuities or profits with a consumer's employer, requiring a consumer's credit report or credit score, accepting repayment through credit cards, charging late fees, reporting unpaid obligations to debt collectors or credit reporting agencies, or filing a civil action against a consumer.
- Establishes recordkeeping and reporting requirements for EWA providers.
- Authorizes the Superintended to investigate alleged violations of the EWA Law, to impose fines up to $1,000, and to file a civil action to obtain an injunction, temporary restraining order, or other appropriate relief.
- Prohibits local fees and assessments related to EWA services.

Division of Cannabis Control (DCC)

Cannabis misuse prevention

- Requires the Division of Cannabis Control (DCC) to contract with a statewide nonprofit corporation to develop and implement cannabis and related drug misuse prevention, education, and public awareness initiatives.
- Requires at least 10% of the funding for the initiatives to be provided by the nonprofit corporation through private contributions.
- Requires DCC to oversee and evaluate the effectiveness of the initiatives undertaken by the nonprofit corporation.
- Appropriates $10 million to the partnership.

State Fire Marshal (SFM)

Online consumer fireworks sales

- Permits licensed fireworks manufacturers and wholesalers to conduct online sales of 1.4G fireworks ("consumer fireworks"), subject to certain procedural requirements.
- Requires online sales to be linked to a specific manufacturer or wholesaler that will deliver the consumer fireworks in the manufacturer's or wholesaler's retail showroom or via curbside delivery in a designated pick-up zone.
- Allows a manufacturer or wholesaler to construct a tent or other temporary structure in the designated pick-up zone provided the structure is approved by the State Fire Marshal (SFM) and compliant with the State Building Code, the State Fire Code, and local zoning requirements.
- Requires manufacturers and wholesalers that conduct online sales of consumer fireworks to implement reasonable traffic control measures for curbside deliveries.

- Prohibits a manufacturer or wholesaler from delivering consumer fireworks by mail order or other process outside the licensed premises, displaying fireworks for sale outside the retail showroom, or permitting members of the public to access areas of the licensed premises other than the retail showroom and the designated pick-up zone.
- Allows a manufacturer or wholesaler to submit alternative delivery systems for consumer grade fireworks to the SFM for approval.
- Permits the SFM to adopt rules as necessary to implement and enforce the provisions expanding sale and delivery conditions for consumer fireworks.

Ohio Fire and Building Codes

- Excludes accessory spaces, such as decks and patios, with at least one means of egress from the square footage and occupant load of an agricultural structure for the purposes of determining the necessity of a fire suppression system.
- Requires coordinated enforcement of the Ohio Fire and Building Codes.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

- Requires an applicant for a license as a real estate salesperson or broker to include the address of current residence on the application.
- Requires an applicant for a real estate broker license that is not an individual, to include on the application the address of the current residence of each of the applicant's members or officers.
- Exempts the addresses from the Public Records Law.

Written agency agreements

- Stipulates when a real estate broker or salesperson must enter into an agency agreement with the seller, purchaser, or tenant.
- Replaces the term "marketing" with "advertising" in continuing law provisions concerning agency agreements.
- Defines "nonexclusive agency agreement" for the purposes of real estate transactions.

Burial permit fee

- Increases the burial permit fee from $3 to $10.
- Requires $6 of each burial permit fee to be allocated to the Cemetery Grant Program.
- Increases the maximum grant amount from $2,500 to $5,000.
- Codifies a rule that allows operators of five or more cemeteries to apply a grant annually and all other operators to apply every other year.

Division of Securities

- Allows money in the Division of Securities Investor Education and Enforcement Expense Fund to be used for grants and allows the Division of Securities to adopt rules concerning qualifications for grant-funded programs.
- Removes the annual $2.5 million cap on cash transfers from the Division of Securities Fund to the Ohio Investor Recovery Fund.

Division of Industrial Compliance

Specialty contractor license application

- Removes the requirement that a specialty contractor license application be verified by the applicant's oath (notarized).

Elevator mechanics

- Eliminates the requirement that a licensed elevator mechanic seeking a temporary continuing education waiver due to a temporary disability sign the waiver application under penalty of perjury.
- Eliminates the requirement that a physician's statements regarding the licensee's temporary disability be certified.

Board of Building Standards (BBS)

Grant program

- Permits the Board of Building Standards (BBS) to establish a grant program to assist municipal, township, and county building departments ("local building departments") in recruiting, training, and retaining personnel.

Third-party plan examiners and building inspections

- Allows BBS to adopt rules that allow local building departments to accept plans examination and inspection reports from third-party building plan examiners and building inspectors.
- Permits BBS to establish competency standards for third-party building plan examiners and building inspectors.
- Specifies that the fees charged by a third-party examiner or inspector are the responsibility of the building owner and are in addition to current fees collected by local building departments on behalf of BBS.
- Clarifies that plan approvals and certificates of occupancy or completion remain the exclusive authority of the certified personnel employed by or under contract with a certified local building department and cannot be issued by a third-party examiner or inspector.

Residential building code enforcement

- Separates the state's Residential Building Code into two distinct categories of enforcement: (1) the erection and construction of new buildings, and (2) the repair and alteration of existing buildings.
- Authorizes local building departments that are certified to enforce the Residential Building Code for new buildings to also seek certification to enforce the Residential Building Code for existing buildings.
- Clarifies that local building departments and personnel are required to obtain certification from BBS for each category of the Residential Building Code they elect to enforce.
- Maintains that the 1% fee paid by certain local building departments to BBS in connection with residential buildings applies to enforcement of both categories of the Residential Building Code.

Division of Liquor Control

Spirituous liquor sales

- Clarifies that the Division has authority to sell spirituous liquor from A-3a liquor permit premises (micro-distilleries) because, under current law, those permit holders sell spirituous liquor that the permit holder manufactures under contract with the Division.

Liquor permit fee changes

- Stipulates that the fee for the D-7 liquor permit (restaurants and bars located in a resort area), which is issued for six months, is $2,814, rather than $469 per month; thus the fee is the same over the six-month period.
- Changes the current $60 per day F-4 liquor permit fee (for wine festivals one to three days long) to a flat $180 fee.
- Changes the current $60 per day F-11 liquor permit fee (for craft beer festivals one to three days long) to a flat $180 fee.
- Transfers deposits of H liquor permit fees derived from permit holders whose permit premises are located outside Ohio from the existing Undivided Liquor Permit Fund to the existing State Liquor Regulatory Fund.
- Increases from $100 to $250 the fee for the renewal of an S-2 liquor permit (large winery), thus making the amount of the renewal fee equal to the $250 fee for an initial S-2 liquor permit.

Shared space for wineries

- Allows two or more A-2 or A-2f permit holders (wineries and farm wineries respectively) to use the same premises and manufacturing equipment to conduct all of the activities authorized for wineries under current law.

Low-alcohol coolers

- Expands the products that a mixed beverage manufacturer (A-4 liquor permit holder) may manufacture and sell to alcohol retailers and distributors to include low-alcohol coolers.
- Defines "low-alcohol coolers" as bottled and prepared cordials, cocktails, and highballs to which all of the following apply:
  - They are obtained by mixing any type of spirituous liquor with, or over, nonalcoholic beverages, flavoring, or coloring;
  - As a completed product, they contain between 0.5% of alcohol by volume (ABV) and 10% of ABV;
  - They are sold only in packages of four to 12 single-serve containers with each container 16 ozs. in size.
- Taxes low-alcohol coolers at 35¢ per gallon, a reduction from the $1.20 per gallon excise rate currently charged for mixed beverages, generally.

Mechanic's liens

- Changes the default expiration date of a notice of commencement from six years to four years and requires the notice to state that four years is the default term.
- Allows the person who contracted for the improvement, upon its completion, to request that the county recorder indicate that the notice of commencement is expired.
- Requires the person to serve notice, by regular mail, of the request on the original contractor, subcontractor, and lower tier project participant that served a notice of furnishing.
- Specifies that the expiration of a notice of commencement does not affect the attachment, continuance, or priority of any lien.
- Specifies that an owner's failure to serve an affidavit on a contractor of an improvement does not affect the owner's rights or obligations under continuing law.

Division of Financial Institutions

Financial Literacy Education Fund

(R.C. 121.085 and 1321.21; Sections 243.10 and 243.30)

The bill removes the requirement that the OBM Director transfer 5% of the charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities regulated by the Superintendent, from the Consumer Finance Fund (CFF) to the Financial Literacy Education Fund (FLEF). The CFF remains the only source of revenue for the FLEF. The bill requires the OBM Director to transfer up to $150,000 from the CFF to the FLEF in each of the next two fiscal years.

Under continuing law, the remaining money in the CFF is used to defray the costs of regulating the above-mentioned entities.

The bill removes the requirement that the Director of Commerce (COM Director) adopt a rule requiring that at least half of the FLEF programs be offered at public community colleges and state institutions. It also removes a requirement that the COM Director provide an annual report to the Governor and the leadership of the House and the Senate that outlines each FLEF program developed or implemented, the number of individuals educated by the program, and the accounting for all funds distributed.

Earned wage access (EWA) services

(R.C. 1320.01, 1320.02, 1320.03, 1320.04, 1320.05, 1320.06, 1320.07, 1320.08, 1320.09, 1320.10, and 1321.21)

Background

Earned wage access (EWA) services are a financial tool by which a "provider" gives a "consumer" an advance on "earned but unpaid income," i.e., salary, wages, compensation, or other income that the consumer has earned or accrued in exchange for services provided to an employer, but for which the consumer has not been paid by the employer. In other words, EWA services allow consumers to receive their pay on-demand, rather than waiting for their next paycheck. Such an advance may include income earned for services performed on an hourly, project-based, piecework, or other bases, or even income earned as an independent contractor. Once the consumer receives their paycheck, they (or their employer) are generally required to repay the EWA provider. Typically, the EWA provider charges a fee in exchange for providing the advance.

EWA services may be either "consumer-directed" or "employer-integrated." In a consumer-directed EWA transaction, a consumer enters an agreement directly with a provider. The consumer discloses how much earned but unpaid income they have accrued and the provider may agree to advance that amount (or a lesser amount) to the consumer. Once the consumer receives their paycheck, they must repay the "proceeds" received plus any fees charged by the EWA provider by an agreed-upon date.

In an "employer-integrated" EWA transaction, an EWA provider receives employment and income data directly from an employer, as opposed to the consumer. Generally, employer-integrated EWA services involve agreements where the employer automatically pays the provider the consumer's wages. Employer-integrated EWA services typically involve longer-term agreements between employers and providers and, often, the employer pays any fees associated with the service.

Registration requirement and procedures

The bill prohibits any company from providing EWA services without first obtaining a certificate of registration from the Division of Financial Institutions within COM. The bill defines "company" as a business entity other than an individual or sole proprietorship, including a firm, business trust, partnership, limited liability company, association, corporation, or general

partnership. Individuals and sole proprietorships are not permitted to register as EWA providers and, accordingly, appear to be barred from providing EWA services.

The Superintendent of Financial Institutions may require companies to utilize the Nationwide Multistate Licensing System (NMLS) to apply for or renew certificates of registration; collect information regarding the company and its key officers; conduct background checks using criminal fingerprint history, civil or administrative records, or credit history; and establish other registration requirements as may be necessary. The bill also permits the Superintendent to set or reset renewal and reporting dates, establish requirements for amending or surrendering a registration, and to engage in any other activities that the Superintendent considers necessary for participation in the NMLS.

Application and fees

The bill requires a company registering as an EWA service provider to submit a written application, under oath, in the form prescribed by the Division. The application must include an affirmation that the EWA service provider will abide by the requirements of the EWA law and contain all other information required by the Superintendent. If the applicant is a foreign corporation, the applicant must first obtain and maintain a license to conduct business in Ohio under the Foreign Corporation Law.

The applicants must pay a $300 annual registration fee and a $200 investigation fee. Both fees are nonrefundable. If the application necessitates an investigation outside of Ohio, and it appears that the actual expenses of conducting the investigation will exceed $200, the Division may require the applicant to advance sufficient funds to pay those expenses. The Division must furnish the applicant with an itemized statement of all investigation fees in excess of $200.

If the $300 annual registration fee is not sufficient to cover the estimated expenditures of the Division's Consumer Finance Section in administering and enforcing the EWA law, the bill allows the Superintendent to assess an additional fee on each registrant. The additional fee must not exceed ten cents for each $100 of fees, tips, gratuities, and donations received by a registrant during the previous calendar year. Furthermore, the bill prohibits the fee from being less than $250 per registrant, or more than $2,000 per registrant. The additional fee is due on the last day of June.

Investigation

The bill requires the Division to conduct an investigation of each applicant comprising of both a civil and criminal records check of the applicant's key officers. The bill defines "key officer" as the chief executive officer, chief financial officer, or chief compliance officer. The Superintendent may also require a civil and criminal background check of other persons that have authority to direct and control the applicant's operations.

As part of the criminal history records check, the Superintendent must request criminal record information from the Federal Bureau of Investigation (FBI). In addition, the Superintendent must request that the Bureau of Criminal Identification (BCI) or an approved vendor conduct a criminal records check based on the key officer's or other person's fingerprints, or, if their fingerprints are unreadable, their Social Security number. All fees associated with the background check must be paid by the applicant.

Missing information

The bill permits the Superintendent to treat an application as withdrawn if it does not contain all of the required information, the Superintendent requests the information in writing (including by fax or electronic transmission), and the applicant fails to provide the missing information to the Division within 90 days after that request is sent. The same procedures concerning missing information apply to registration renewals.

Net worth and assets

An applicant seeking registration as an EWA provider must maintain a net worth of at least $50,000, alongside assets of at least $50,000, either in use or readily available for use as part of conducting business for each certificate of registration.

Approval or denial of application

If the Division determines that the applicant meets all requirements prescribed by statute and rule, and that the applicant has the financial responsibility, experience, and general fitness to command confidence of the public that the business will be operated honestly and fairly, the Division must issue a certificate of registration to the applicant. The bill prohibits the Superintendent from using a credit score as the sole basis to deny registration.

Conversely, if the Division finds that the applicant does not meet the requirements prescribed by statute and rule, the Division must deny the application. Upon making such a determination, the division must send the applicant notice of the denial, including an explanation of why the application was denied and of the applicant's opportunity to appeal under the Administrative Procedure Act.

Expiration and renewal

Certificates of registration expire annually on December 31. An EWA provider may renew the provider's registration by filing a renewal application and paying a $300 annual registration fee on or before that date. The bill prohibits the Superintendent from approving the renewal of a registration if the applicant is subject to an order of suspension, revocation, or an unpaid and past due fine or assessment.

Reciprocity

The bill provides reciprocity for companies that hold a license or registration to offer EWA services in other states. If the company pays all applicable fees and assessments, the bill requires the Division to issue the company a certificate of registration to offer EWA services in Ohio.

Change in ownership

If a registered EWA provider's ownership changes by 5% or more, the Division may investigate the company to determine whether that change results in conditions which would have warranted a denial of the application for registration. If so, the Division may revoke the company's certificate of registration.

Location of business

A registered EWA provider may offer EWA services online or at one or more physical places of business in Ohio. A provider may receive more than one certificate of registration, but it may only receive one certificate for each place of business. If a registrant wishes to move their place of business to a different municipal corporation, it must file a new application and pay the requisite fees, including an investigation fee, if required by the Superintendent. However, an applicant may move location within the original municipal corporation or change the name of the business as long as they provide written notice to the Division, which in turn must provide a new certificate for the new name or address at no cost. The bill does not address EWA providers located in unincorporated areas.

Required actions

The bill requires EWA providers to comply with several process requirements related to the provision of EWA services. These include requirements related to disclosures, consumer rights, repayment, and statutory compliance.

Disclosures

The bill requires EWA providers to disclose all of the following to the consumer:

- All fees associated with the EWA services prior to entering into an agreement with a consumer;
- Any material changes to the terms and conditions of the EWA services before implementing those changes;
- If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, it must clearly and conspicuously disclose to the consumer that the tip or gratuity amount may be zero, and is voluntary; and
- That tips or gratuities are voluntary and that the offering of EWA services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip or gratuity, or its size.

Consumer rights

The bill requires an EWA provider to develop and implement policies and procedures to respond to questions and address complaints from consumers in an expedient manner. Furthermore, a provider must offer at least one reasonable option to obtain proceeds at no cost to consumers and clearly explain how to elect that no-cost option. A provider must allow the consumer to cancel use of the provider's EWA services at any time, without incurring a cancellation fee or penalty. A provider must provide proceeds to a consumer by means mutually agreed upon by the consumer and the provider.

Repayment

The bill requires a provider that seeks repayment of outstanding proceeds, fees, tips, donations, or gratuities from a consumer's depository institution to comply with the federal

Electronic Funds Transfer Act and all related regulations. Furthermore, if a provider attempts to recover the wrong amount of funds, or attempts to recover the funds on a date other than the date disclosed to the consumer in the EWA service agreement, the provider must reimburse the consumer for any overdraft or nonsufficient funds fees charged by the consumer's depository institution as a result of that error. The bill's requirements do not apply when a consumer's outstanding amounts or fees were incurred through fraudulent or otherwise unlawful means.

Compliance with state, local, and federal law

The bill expressly requires providers to comply with all applicable local, state, and federal privacy and information security laws.

Prohibited actions

The bill prohibits EWA providers from doing any of the following:

- Share with employers any fees, tips, or other proceeds charged to or received from a consumer for EWA services;
- Require a consumer's credit report or credit score provided or issued by a consumer reporting agency to determine the consumer's eligibility for EWA services;
- Accept payment of any outstanding proceeds, fees, or other donations from a consumer by means of a credit card or charge card;
- Charge any late fees, interest, or other penalties for a consumer's failure to pay outstanding proceeds, fees, or other donations;
- Report to any consumer reporting agency or debt collector any information about a consumer's inability to repay outstanding proceeds, fees, or other donations;
- If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, a provider may not mislead or deceive consumers about the voluntary nature of the tips or gratuities, or make representations that tips or gratuities will benefit any specific individuals.

In addition, a provider must not compel or attempt to compel a consumer to pay outstanding proceeds, fees, or other donations by bringing a civil action against the consumer in court, by using a third party to pursue collection from the consumer, or by selling the outstanding amounts to a third-party debt collector or debt buyer. However, this does not preclude other lawful means from collecting outstanding amounts from a consumer, or from enforcing the terms of a contract between a provider and employer if the employer breaches its obligations. So while a provider may not bring a civil action against a consumer for nonpayment, it may do so against an employer with which it has a contractual agreement.

Recordkeeping and reports

The bill requires EWA providers to maintain books, accounts, and records with respect to EWA services that will enable the Division to determine whether the provider is complying with the EWA law. These records must be separate from those pertaining to transactions that do not

involve EWA services. The Superintendent may examine the records of a registrant as often as the Superintendent considers necessary.

In addition, each provider must file an annual report with the Division concerning the business and its operations for the preceding calendar year. Providers with more than one location in Ohio must file a report for each location. The bill requires the Division to publish an analysis of this data, but the individual reports are not open to public inspection. The Division's analysis must include all of the following:

- Gross revenue attributable to EWA services;
- The total number of transactions in which proceeds were remitted to consumers;
- The total number of unique consumers to whom proceeds were remitted;
- The total dollar amount of proceeds remitted to consumers;
- The total dollar amount of fees, tips, gratuities, and donations received from consumers;
- The total number of transactions and the total dollar amount of transactions in which proceeds were remitted to consumers for which providers did not receive repayment of any outstanding proceeds;
- The total number of transactions and the total dollar amount of transactions in which proceeds were remitted to consumers, for which providers received partial repayment of outstanding proceeds, and the total dollar amount of unpaid, outstanding proceeds attributable to those transactions;
- The total number of transactions and the total dollar amount of transactions in which outstanding proceeds were repaid after the original, scheduled repayment date;
- Any other nonprivate information required by the Superintendent.

Applicability

The bill specifically states that EWA services are not considered a loan or other form of credit, a money transmission, or a violation of, or noncompliant with, any provisions governing the sale or assignment of earned but unpaid income. Similarly, fees, tips, or other donations paid by the consumer to a provider are not interest or finance charges. As such, an EWA provider is not considered a creditor, debt collector, lender, or money transmitter and is not subject to the provisions of the Revised Code governing money transmitting, other loans, or other credit transactions.

The bill also expressly exempts certain entities from EWA provider regulations. Specifically, any entity chartered and lawfully doing business pursuant to any state or federal law as a bank, savings bank, trust company, savings and loan association, credit union, or a subsidiary of any of those entities which is regulated by a federal banking agency and owned and controlled by one of those depository institutions is not subject to the bill.

Enforcement and penalties

The bill empowers the Superintendent to investigate any company or individual for violations of the EWA law. This includes conducting hearings, subpoenaing witnesses who reside in Ohio, and taking depositions, so long as a witness is reimbursed for the fees and mileage incurred for their attendance. The Superintendent may also compel the production of, and examine, all relevant books, records, accounts, and other documents by an order or subpoena duces tecum.

In connection with any investigation, the Superintendent may file an action in the appropriate Court of Common Pleas to obtain an injunction, temporary restraining order, or other appropriate relief against any company or individual engaging or proposing to engage in any violation of the EWA law. If a company or individual does not comply with a subpoena or subpoena duces tecum, the Superintendent may apply to the Court of Common Pleas of Franklin County for an order compelling the company or individual to comply with the subpoena or subpoena duces tecum, or else an order to be held in contempt of court.

If the Superintendent determines that a provider has failed to comply with an order issued by the Superintendent, or that any fact or condition currently exists that would have warranted denial of a certificate of registration at the time the provider had registered with the Division, the Superintendent is required to revoke that provider's certificate of registration. The Superintendent may also impose fines of up to $1,000 per violation of the EWA law.

Preemption

The bill prohibits the state or any political subdivision from requiring an EWA provider to pay any fee or assessment, other than those expressly authorized by the bill, as a condition of providing EWA services.

Administration

The Division of Financial Institutions is responsible for administering the bill's registration requirement and all regulations on EWA services. The bill prohibits the Superintendent and any deputy, assistant, clerk, examiner, or any other person employed by the Division to assist in the administration of this chapter from being interested in a business registered under the bill, either directly or indirectly. If one of those individuals does have an interest in a business registered under the bill, or becomes interested in such a business, that individual is no longer eligible to hold or retain that position.

The bill authorizes the Superintendent to adopt any rules and issue orders required to enforce and carry out the purposes of the EWA law. Furthermore, the bill exempts any regulatory restrictions adopted pursuant to the EWA law from the continuing law provisions concerning reducing the number of regulatory restrictions.

Any fees, charges, penalties, or forfeitures collected pursuant to the EWA law are deposited into the Consumer Finance Fund, which may be used in part to cover expenses related to the administration of the EWA law.

Division of Cannabis Control (DCC)

Cannabis misuse prevention

(R.C. 3780.37)

The bill requires the Division of Cannabis Control (DCC) within COM to contract with a statewide nonprofit corporation to develop and implement cannabis and related drug misuse prevention, education, and public awareness initiatives. The initiatives may include:

- Providing evidence-based information on the potential health effects of cannabis and related drug use among minors;
- Disseminating educational resources regarding the risks associated with cannabis and related drug use during pregnancy;
- Conducting campaigns to inform the public about the dangers and legal consequences of driving under the influence of cannabis and other drugs;
- Collaborating with employers and industry groups to develop and distribute evidence-based resources to improve the health of Ohio's workforce and promote workplace safety and recovery initiatives focused on cannabis and related drug misuse.

The bill requires DCC to oversee and evaluate the effectiveness of the initiatives undertaken by the nonprofit corporation. DCC is also required to compile a report detailing activities, use of funds, and measurable outcomes resulting from the initiatives and submit the report to the General Assembly. The bill appropriates $10 million to fund the public-private partnership.

State Fire Marshal (SFM)

Online consumer fireworks sales

(R.C. 3743.48; conforming changes in R.C. 3743.04, 3743.06, 3743.17, 3743.19, 3743.25, 33743.60, 3743.63, and 3743.65)

Background

Under current law, fireworks manufacturers and wholesalers are restricted to selling 1.4G fireworks ("consumer fireworks") through in-person transactions within a retail showroom on a licensed premises. In effect, this prohibits licensed manufacturers or wholesalers from engaging in online sales and prohibits the delivery of purchased consumer fireworks outside of a licensed indoor retail showroom.[30] However, in recent years, the State Fire Marshal (SFM) has issued variances allowing for online sales and curbside delivery to ease congestion in showrooms.[31]

[30] R.C. 3743.01(D)(2), not in the bill.

[31] 2020 Ohio State Fire Marshall Variance No. V17ed.- 051, 2024 Ohio State Fire Marshall Variance No. V17ed.- 021.

Online sales of consumer fireworks

The bill permits licensed fireworks manufacturers and wholesalers to conduct online sales of consumer fireworks through a website or other digital platform. However, this only applies to consumer fireworks sold at retail, and not to 1.3G display fireworks or to wholesale sales. Each online sale must be associated with a single licensed manufacturer or wholesaler identified by its license identification number and the address of the licensed premises. Following an online sale, the manufacturer or wholesaler must transfer possession of the fireworks to the consumer within the retail showroom or through curbside delivery as described below (see "**Curbside pickup of consumer fireworks**").

Under the bill, a licensed manufacturer or wholesaler that engages in online fireworks sales is required to do all of the following:

- Comply with all applicable state and local laws, including the state building code, state fire code, and zoning requirements;
- Implement reasonable traffic control measures for curbside deliveries;
- Maintain all regular fireworks sales records, including any records necessary to demonstrate compliance with the bill;
- Make those records available upon request of the SFM or any law enforcement officer, fire code official, or building code official with jurisdiction.

The bill does not require any fireworks manufacturer or wholesaler to conduct online sales of consumer fireworks, nor does it reduce, waive, or otherwise eliminate any licensure, insurance, workers compensation, or safety requirements prescribed by continuing law. Furthermore, the bill clarifies that consumer fireworks sold online are subject to the same 4% consumer-grade fireworks fee that applies to in-person sales.

Curbside pickup of consumer fireworks

The bill also allows manufacturers and wholesalers to transfer possession of consumer fireworks through curbside delivery. If a manufacturer or wholesaler chooses to conduct curbside delivery, it must comply with all of the following:

- The delivery is made only to the verified purchaser of the fireworks;
- The delivery occurs on the licensed premises associated with sale;
- The delivery occurs in a designated customer pick-up zone which may be accessible by motor vehicles;
- The purchaser is provided a safety pamphlet at the point of delivery, as required by continuing law;
- The purchaser is offered safety glasses for a nominal fee at the point of delivery, as required by continuing law.

Before transferring possession of the fireworks, a manufacturer or wholesaler must verify all of the following:

- The number and types of items included in the order;
- That the purchaser is at least 18 years old;
- That the purchaser's name is the same name associated with the credit or debit card with which the order was placed;
- That the purchaser attests to understanding and agrees to comply with all applicable federal, state, and local laws regarding consumer fireworks storage and use;
- That the purchaser signs all forms required by continuing law;
- That the purchaser pays the 4% consumer-grade fireworks fee.

Under the bill, a manufacturer or wholesaler may construct a tent or other temporary structure on a licensed premises from which to conduct curbside deliveries. This tent or temporary structure must be approved by the SFM and in compliance with all state and local laws, including the state building code, the state fire code, and any applicable zoning requirements.

Prohibitions

The bill prohibits a fireworks manufacturer or wholesaler from doing any of the following:

- Delivering fireworks via mail order, parcel service, or any other delivery process that occurs outside of the licensed premises;
- Selling or offering for sale fireworks or other items outside of the licensed retail showroom, except as expressly authorized by the bill;
- Displaying fireworks for sale outside of a retail showroom;
- Permitting any member of the public to access any areas on the licensed premises other than the retail showroom and the designated area for curbside delivery.

Alternative purchase and delivery systems

Under the bill, a manufacturer or wholesaler may sell and transfer possession of consumer fireworks through standard retail showroom sales or through a hybrid purchase and delivery system, which may include one or more of the following:

- Standard retail showroom sales;
- Online selection of, or payment for, consumer fireworks and in-store showroom delivery of those products;
- Online selection of, or payment for, consumer fireworks and curbside delivery of those products;
- Retail showroom-based product selection and payment, and curbside delivery of those products;
- Other similar purchase and delivery systems approved in writing by the SFM in accordance with the bill.

As described above, manufacturers and wholesalers may submit alternative purchase and delivery proposals to the SFM for consideration and approval. The SFM must review each proposal and, if a proposal meets the requirements of the bill, may choose to approve the proposal.

Rulemaking authority

The bill authorizes the SFM to adopt rules and standards as necessary to implement and enforce the online sale and curbside delivery provisions.

Ohio Fire and Building Codes

Accessory spaces in agricultural structures

(R.C. 3737.83)

Continuing law requires that structures adhere to occupant load limits and other safety requirements in the Ohio Fire Code and the Ohio Building Code. Occupant load refers to the number of people permitted in a building at one time based on the building's floor space and function – the number of people for which the means of egress is designed.[32]

The bill requires that, for the purposes of determining whether an automatic sprinkler system or other fire suppression system is needed, the square footage and occupant load of an agricultural structure does not include an "accessory space" that has a means of egress compliant with standards established by the Americans with Disabilities Act. To be compliant, each means of egress must provide a continuous and unobstructed way of travel to an area of refuge, a horizontal exit, or a public way.[33] The definition of "accessory space" specifically includes covered or uncovered decks and patios that are not fully enclosed by walls.

Coordinated enforcement

(R.C. 3737.062)

The bill requires the COM Director, in collaboration with SFM and BBS, and representatives of local building departments, to develop guidelines for the enforcement of the Ohio Building Code and Ohio Fire Code in a coordinated manner, including the interaction of exemptions from one code with the requirements of the other code.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

(R.C. 4735.06 and 4735.09)

Continuing law requires that real estate salespersons and brokers obtain a license from the Superintendent of the Division of Real Estate and Professional Licensing within COM. The bill requires the applicant for a real estate salesperson or broker license to include on the application the address of the applicant's current residence. In the case of a real estate broker, which can be

[32] O.A.C. 1301:7-7-10 and 4101:1-10-01, not in the bill.

[33] International Building Code § 1007.1 (2003).

an individual or a business, the bill requires that if the applicant is not an individual, the application must include the address of the current residence of each of the applicant's members or officers. The bill specifies that the address information is not subject to Ohio's Public Records Law.[34]

Written agency agreements

(R.C. 4735.01, 4735.55, 4735.56, and 4735.80)

Background

Under continuing law, licensed brokers and salespersons are required to enter into written agency agreements prior to engaging in activities on behalf of a purchaser or seller in residential real estate transactions. If the broker or salesperson is working on behalf of a seller, they must enter into the agreement prior to marketing or showing the seller's residential real property. If the broker or salesperson is working on behalf of a purchaser, they must enter into the agreement prior to making an offer to purchase residential real property on behalf of the purchaser or prior to making an offer to lease a residential premises on behalf of the purchaser for a term exceeding 18 months.

Similarly, under current law a broker or salesperson working as part of a brokerage must provide a seller with their brokerage policy on agency prior to marketing or showing the seller's real estate.

Replace "marketing" with "advertising"

The bill replaces the term "marketing" with the term "advertising" in each of these provisions. Marketing is not defined in the law that regulates real estate salespersons and brokers. Advertisement is defined under Ohio Administrative Code rules as any manner, method, or activity by which a licensed real estate broker or salesperson makes known to the general public properties for sale or lease or any services for which a real estate license is required. The term does not include forms of private communication between a licensee and a client, customer, or prospective client.[35]

Add references to "tenants"

The bill also makes a technical change related to agency agreements for leases exceeding 18 months. Current law uses the term "purchaser" to mean either a buyer or a tenant in a real estate transaction. The bill adds the term "tenant" wherever the context requires.

Nonexclusive agency agreements

Continuing law requires that the written agency agreement, in part, include a statement of whether the agency relationship between the licensee and client is exclusive or nonexclusive. Current law defines "exclusive agency agreement" but does not address the meaning of "nonexclusive agency agreement." The bill defines "nonexclusive agency agreement" as an

[34] R.C. 4735.06(A)(3) and (4) and 4735.09(A).

[35] O.A.C. 1301:5-102(H).

agency agreement between a purchaser, tenant, or seller and a broker that meets the requirements under Ohio law for written agency agreements and does both of the following:

- Grants the broker the nonexclusive right to represent the purchaser, tenant, or seller in the purchase, sale, or lease of property;
- Provides the broker will be compensated in accordance with the terms specified in the nonexclusive agency agreement, and the purchaser, tenant, or seller may obtain services from other brokers or brokerage firms, subject to the terms of the nonexclusive agency agreement.

Burial permit fee

(R.C. 3705.17 and 4767.10)

The bill increases the burial permit fee from $3 to $10. Under continuing law, when obtaining a burial permit, a funeral director or other person must pay a fee to the local registrar or sub-registrar. The local registrar or sub-registrar that issues the burial permit retains 50¢. The remainder is paid to the Cemetery Registration Fund.

Under current law, the first $1 paid to the Cemetery Registration Fund is used to award grants to defray the cost of exceptional cemetery maintenance and training cemetery personnel. The other $1.50 is used to maintain operations of the Division of Real Estate and Professional Licensing and the Cemetery Dispute Resolution Association. The bill increases the amount that must be used to fund grants to $6, leaving $3.50 for the operational costs of the Division and Association.

Under current law, operators of five or more registered cemeteries may apply for one grant up to $2,500 each year. Other operators may apply for one such grant every other year.[36] The bill increases the maximum grant amount to $5,000 and codifies the current practices of the Division concerning annual and biennial grant eligibility.

Division of Securities

Securities Investor Education and Enforcement Expense Fund

(R.C. 1707.37)

The bill expands the purposes for which money in the Division of Securities Investor Education and Enforcement Expense Fund to be used to fund grants, in addition to paying expenses for education and protection of securities investors and the public. The bill also expands the Division's rulemaking authority to allow for rules concerning qualifications for grant-funded programs.

[36] O.A.C. 1301:13-7-01.

Ohio Investor Recovery Fund

(R.C. 1707.47)

The bill removes the $2.5 million annual cap on transfers from the Division of Securities to the Ohio Investor Recovery Fund (OIRF). Under continuing law, the OIRF provides restitution to individuals, businesses, and organizations domiciled in Ohio that are victims of securities fraud. The maximum OIRF award is limited to the lesser of $25,000 or 25% of the monetary injury suffered by the victim according to a final administrative order issued by the Division. To receive a restitution assistance award, a claimant must submit an application to the Division within 180 days after the date of the final order.

Division of Industrial Compliance

Specialty contractor license application

(R.C. 4740.06)

The bill removes the requirement that a specialty contractor license application be verified by the applicant's oath. Under current law, the application must be notarized. A specialty contractor license is one of the following types of commercial contractor: heating, ventilating, and air conditioning (HVAC) contractor; refrigeration contractor; electrical contractor; plumbing contractor; or hydronics contractor.

Elevator mechanics

(R.C. 4785.041; Section 125.10)

Under continuing law, a licensed elevator mechanic who is unable to complete the continuing education required to renew a license due to a temporary disability may apply to place the license on inactive status. The bill eliminates the requirements:

- That the licensee sign the application under penalty of perjury; and
- That the accompanying physician statement attesting to the temporary disability be certified.

To reactivate the license, the licensee must submit another physician statement attesting that the temporary disability has ended. The bill eliminates the requirement that the physician statement be certified.

Board of Building Standards (BBS)

Grant program

(R.C. 3781.10 and 3781.102)

Under continuing law, the Ohio Board of Building Standards (BBS) within COM is in charge of adopting the state building codes as well as certifying municipal, township, and county building departments ("local building departments") and their personnel throughout Ohio to enforce the state building codes. The bill permits BBS to establish a grant program to assist local building departments in the recruitment, training, and retention of qualified personnel. The grant program is funded using fees credited to the Industrial Compliance Operating Fund (ICOF) in

connection with inspections and approval of plans and specifications by local building departments.

Third-party plan examiners and building inspections

(R.C. 3781.10)

Under current law, only certified local building departments and personnel are authorized to exercise enforcement authority respecting the state building codes. The bill allows BBS to adopt rules authorizing certified local building departments to accept plans examination and inspection reports from a third-party examiner or inspector.

The rules may require the third-party examiner or inspector to obtain certification from BBS or "to demonstrate equivalent competency" as specified and determined by BBS. The bill does not necessarily require that a third-party examiner or inspector be certified or trained in the same manner as local building department personnel. The bill specifies that the fees charged by a third-party examiner or inspector are in addition to the fees collected by the local building department on behalf of BBS. Furthermore, any additional fee for the third-party inspection is the responsibility of the building owner.

The bill clarifies that plan approvals and certificates of occupancy or completion remain the exclusive authority of the certified personnel employed by or under contract with a certified local building department. Such approvals and certificates cannot be issued by a third-party examiner or inspector.

Divide Residential Building Code

(R.C. 3781.10 and 3781.102)

Ohio has two building codes: one for *nonresidential buildings* (a building that is not a residential building or a manufactured or mobile home), and one for *residential buildings* (a one-family, two-family, or three-family dwelling house, and any accessory structure incidental to that dwelling house, but not an industrialized unit or a manufactured or mobile home).[37] The codes are adopted pursuant to the Building Standards Law.[38] Under current law, changed in part by the bill, the Residential Building Code provides uniform requirements for residential buildings in any area with a certified local building department.

The bill divides enforcement of the Residential Building Code into two distinct categories:

1. The erection and construction of new residential buildings;

2. The repair and alteration of existing residential buildings.

Under the bill, a local building department and its personnel may seek certification to enforce only the Residential Building Code for new buildings, or to enforce the Residential Building Code for both new buildings and existing buildings. These are separate certifications through BBS. Under continuing law, local building departments collect a 1% fee from building

[37] R.C. 3781.06, not in the bill.

[38] R.C. Chapters 3781 and 3791.

owners on behalf of BBS when the local building department accepts and approves plans and conducts inspections. The bill maintains that 1% fee and applies it to both new and existing residential building enforcement.

Division of Liquor Control

Spirituous liquor sales

(R.C. 4301.19)

Current law allows the Division of Liquor Control to be the sole distributor and retail seller of spirituous liquor in Ohio. It distributes spirituous liquor through warehouses across Ohio and sells spirituous liquor at retail via agency stores. The bill clarifies that the Division also has authority to sell spirituous liquor from A-3a liquor permit premises (micro-distilleries, see below) because, under current law, those permit holders sell spirituous liquor that the permit holder manufactures under contract with the Division.

Liquor permit fees

D-7 liquor permit fee

(R.C. 4303.183)

Current law establishes the D-7 liquor permit fee (resort areas, see below) at $469 per month for six months (length of the resort season). The bill stipulates that the fee is $2,814 for the six months. There is no change in the fee since $469 x 6 months = $2,814.

F-4 liquor permit fee

(R.C. 4303.204)

The bill changes the fee for an F-4 liquor permit (Ohio wine festival, see below), which is issued for one to three days depending on the length of the festival, from $60 per day to a flat $180. Thus:

1. If the festival is one day, the bill increases the fee from $60 to the flat $180.

2. If the festival is two days, it increases the fee from $120 to the flat $180.

3. If the festival is three days, it retains the $180 fee.

F-11 liquor permit fee

(R.C. 4303.2011)

The bill makes similar changes to the F-11 liquor permit (Ohio craft beer festival, see below, which is issued for one to three days) as it does for the F-4 permit described above. It replaces the $60 per-day fee with a flat fee of $180.

Under continuing law, the three-day limitation does not apply to an exposition at the Ohio State Fairgrounds.

H liquor permit fee

(R.C. 4301.12 and 4301.30)

The bill transfers deposits of H liquor permit fees derived from permit holders whose permit premises are located outside Ohio from the existing Undivided Liquor Permit Fund to the existing State Liquor Regulatory Fund. Under current law, the Undivided Liquor Permit Fund is used for the following:

1. To fund alcohol treatment programs;

2. To fund local governments in which liquor permit premises are located; and

3. To be credited to the existing State Liquor Regulatory Fund, which is used to fund the Division of Liquor Control's operating expenses.

Under current law, the State Liquor Regulatory Fund consists of liquor permit fees from B-2a, S-1, and S-2 permits paid by B-2a, S-1, and S-2 permit holders that do not also hold A-1 or A-1c permits or A-2 or A-2f permits (see below).

S-2 liquor permit renewal fee

(R.C. 4303.233)

The bill increases from $100 to $250 the fee for the renewal of an S-2 liquor permit (large winery, see below), thus making the amount of the renewal fee equal to the $250 fee for an initial S-2 liquor permit.

Shared space for wineries

(R.C. 4301.20)

The bill allows two or more A-2 or A-2f permit holders (wineries and farm wineries respectively) to use the same premises and manufacturing equipment to conduct all of the activities authorized for wineries under current law. In addition to manufacturing wine, those activities include retails sales of wine for on- and off-premises consumption and the sale of wine to distributors.

Current law generally requires all permit holders that manufacture, distribute, or sell beer or intoxicating liquor, including wine, to operate in separate permitted premises.[39]

Low-alcohol coolers

(R.C. 4301.01, 4301.43, 4301.432, and 4303.05)

The bill expands the products that a mixed beverage manufacturer (A-4 liquor permit holder, see below) may manufacture to include low-alcohol coolers. "Low-alcohol coolers" are bottled and prepared cordials, cocktails, and highballs to which all of the following apply:

[39] A representative of the Division of Liquor Control cites R.C. 4303.27, not in the bill, as the primary authority for issuing one liquor permit per premises, but there are multiple other sections in R.C. Chapters 4301 and 4303 (email dated January 31, 2025).

- They are obtained by mixing any type of spirituous liquor with, or over, nonalcoholic beverages, flavoring, or coloring;
- As a completed product, they contain between 0.5% of alcohol by volume (ABV) and 10% of ABV;
- They are sold only in packages of four to 12 single-serve containers with each container 16 ozs. in size.

A low alcohol cooler may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, wine, and other similar products manufactured by fermenting fruit or fruit juices.

Continuing law generally defines "mixed beverages" to include bottled and prepared cordials, cocktails, highballs, and solids and confections that are obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials. The completed product contains between 0.5% ABV and 21% ABV.

Alcohol excise taxes

The state imposes an excise tax on A-4 permit holders equal to $1.20 for each gallon of mixed beverages the holder manufacturers. Under current law, low-alcohol coolers are subject to this tax rate. The bill decreases the tax rate on low-alcohol coolers to 35¢ per gallon.

Background

Below is a list of permits referenced above, along with a description of the authorized activity under the permit.

Types of liquor permits	
Class of liquor permit	**Authorized activity**
A-1	Large brewery may sell its beer for on- or off-premises consumption.
A-1-A	Brewery, winery, or distillery may sell beer and any intoxicating liquor by glass or from a container; a brewery may sell beer for off-premises consumption.
A-1c	Craft brewery may sell its beer for on- or off-premises consumption.
A-2	Winery may sell wine to personal consumers for on- or off-premises consumption and to wholesalers.
A-2f	Farm winery (same authorized activity as a winery, but winery grows grapes and other agricultural products).

Types of liquor permits	
Class of liquor permit	**Authorized activity**
A-3a	Micro-distillery (less than 100,000 gallons a year) may sell to personal consumers a specified amount of spirituous liquor.
A-4	Mixed beverage manufacturer may sell mixed beverages to wholesale and retail permit holders.
B-2a	Wine manufacturer may sell to retail liquor permit holders only wine it manufactures and for which a territory designation has not been filed with the state.
D-7	A restaurant or bar located in a resort area may sell beer or intoxicating liquor for on-premises consumption.
F-4	An Ohio wine festival organizer may give away 2 oz. samples of Ohio wine or sell individual glasses of wine for on-premises consumption and A-2 permit holder may sell bottles for off-premises consumption.
F-11	An Ohio craft beer festival organizer may sell 4 oz. samples or up to 16 oz. containers of craft beer for on-premises consumption.
H	Transporter or deliverer may transport or deliver beer and intoxicating liquor (not required for manufacturers or distributors).
S-1	Small brewery or small winery may sell their beer or wine directly to a personal consumer.
S-2	Large winery may sell their wine to a personal consumer either directly or through a fulfillment warehouse.

Mechanic's liens

(R.C. 1311.04)

A mechanic's lien is a statutory tool by which a creditor may secure payment for labor or materials supplied in improving, repairing, or maintaining real property by recording a legal right or interest to the property. Typically, at the outset of a construction project, the property owner records a "notice of commencement" which includes a legal description of the property, a brief description of the improvement to be performed, and other information needed for contractors to assert lien rights. If the property owner records a notice of commencement, a contractor must serve a "notice of furnishing" on the property owner within 21 days after providing labor or

supplying materials to preserve their lien rights. However, if the property owner does not file a notice of commencement, the contractor is not required to serve a notice of furnishing. If the owner does not timely pay a contractor whose lien rights are intact, the contractor may file a mechanic's lien on the property. If necessary, the contractor may enforce the mechanic's lien through a foreclosure action.

The bill changes the default expiration date of a notice of commencement from six years to four years. It also requires that the notice contain the following statement: "the expiration date for this notice of commencement is four years from the date of recording unless a different date is specified herein."

Under the bill, an owner, part owner, or lessee of real property who contracts for an improvement may submit an affidavit to the county recorder indicating that the improvements are complete and the previously filed notice of commencement has expired. The owner, part owner, or lessee is also required to serve the affidavit upon the original contractor and any subcontractor or lower-tier project participant that served a notice of furnishing. However, the bill specifies that failing to serve an affidavit on a contractor, subcontractor, or lower-tier project participant does not affect the expiration of the notice of commencement, extend the rights of any party seeking to file a mechanic's lien, or affect any time periods or other rights, requirements, or limitations under continuing law. The bill also specifies that the expiration of a notice of commencement does not affect the attachment, continuance, or priority of any lien.

CONSUMERS' COUNSEL

- Exempts a wireless service provider or reseller, to the extent either of them are providing wireless service, from being included in the definition of a public utility subject to the assessment for purposes of funding the Office of the Consumers' Counsel (OCC).

Exemption from OCC assessment

(R.C. 4911.18)

The bill exempts a wireless service provider or reseller, to the extent either of them are providing wireless service, from being subject to the assessment for purposes of funding the Office of the Consumers' Counsel (OCC) by amending the definition of "public utility" for assessment purposes to exclude such providers or sellers. Under existing law, a company engaged in the business of transmitting telephonic messages to, from, through, or in Ohio is a public utility subject to the assessment. Continuing law requires, for the sole purpose of maintaining and administering OCC and exercising its powers under the OCC law, an amount equal to the appropriation to OCC in each fiscal year to be apportioned among and assessed against each public utility in Ohio.

Under continuing law, a "wireless service provider" means any of the following that provides wireless service to one or more end users in Ohio: (1) a facilities-based provider, (2) a mobile virtual network operator, or (3) a mobile other licensed operator. A "reseller" means a nonfacilities-based provider of wireless service that provides wireless service under its own name to one or more end users in this state using the network of a wireless service provider. "Wireless service" means federally licensed commercial mobile service and commercial mobile radio, both defined in federal law, and includes service provided by any wireless, two-way communications device, including a radio-telephone communications line used in cellular telephone service or personal communications service, a network radio access line, or any functional or competitive equivalent of such a radio-telephone communications or network radio access line.[40]

[40] R.C. 128.01, 4905.03(A), and 4911.01, not in the bill.

CONTROLLING BOARD

- Subjects to Controlling Board approval any online subscription purchased by a state agency that in the aggregate exceeds $500 during the fiscal year.

Procurement of online subscriptions

(R.C. 125.052)

The bill subjects to Controlling Board approval any online subscription purchased by a state agency that in the aggregate exceeds $500 during the fiscal year. For this purpose, state agency does not include the General Assembly or any legislative agency.

OHIO DEAF AND BLIND EDUCATION SERVICES

Rita Community School

- Declares the intent of the General Assembly to purchase St. Rita's School for the Deaf to operate as a public school under the supervision of Ohio Deaf and Blind Education Services (ODBES).
- Designates the school as Rita Community School and a division of ODBES, and generally subjects it to the same laws as the State Schools for the Deaf and the Blind.
- Establishes the Rita Community School Educational Program Expenses Fund for educational programs, after-school activities, and expenses associated with student activities and clubs at the school.

Students with multiple disabilities

- Permits the ODBES Superintendent to create additional divisions to meet the educational needs of students throughout the state who have multiple disabilities if one of the disabilities is vision related, hearing related, or related to communication such that the student would benefit from the use of American Sign Language.
- Permits ODBES to receive and administer federal funds, gifts, donations, or bequests for programs or services related to the education of those students.
- Extends eligibility for those students to participate in ODBES career-technical education and work training programs for secondary and post-secondary students and to receive funding to participate in the program.
- Permits residents of Ohio who have multiple disabilities if one of the disabilities is hearing related to enroll in the State School for the Deaf or Rita Community School.

High school diploma requirements

- Permits a student enrolled in the State School for the Blind or State School for the Deaf to qualify for a high school diploma by completing the curriculum of any high school in lieu of completing the student's individualized education program (IEP).

Expense funds investment earnings

- Requires investment earnings on money in the educational program expense funds of the State School for the Deaf and the State School for the Blind be credited to the funds.

Rita Community School

(R.C. 3325.012, 3325.03, 3325.08, 3325.11, 3325.12, and 3325.13; conforming in R.C. 3301.0711, 3365.01, 3365.032, 3365.07; Section 207.60)

The bill declares the intent of the General Assembly to purchase St. Rita's School for the Deaf, which is currently operating as a chartered nonpublic school in Hamilton County, so that it

may become a public school under the supervision of Ohio Deaf and Blind Education Services (ODBES). The bill requires the Department of Administrative Services to determine an amount of funding to purchase the building and land of St. Rita's. Furthermore, it designates the school as Rita Community School and as a division of ODBES. The bill requires Rita Community School to be open and operate under regulations adopted by the Department of Education and Workforce and generally subjects the school to the same laws that apply to the State School for the Deaf and State School for the Blind, including those regarding:

- State assessments;
- Awarding of high school diplomas and honor's diplomas;
- The College Credit Plus Program;
- The ODBES Student Activity and Work-Study Fund;
- The ODBES Employee Food Service Fund.

The ODBES Superintendent may, in the same manner as permitted for students enrolled at the State School for the Deaf or Blind under continuing law, return a student enrolled in Rita Community School to the student's resident school district if the student is not making sufficient progress to justify continued enrollment at Rita Community School.

The bill clarifies that Rita Community School is not considered a "community school" (also known as a charter school nationally) under continuing law.

Rita Community School Educational Program Expenses Fund

(R.C. 3325.18)

The bill establishes the Rita Community School Educational Program Expenses Fund for educational programs, after-school activities, and expenses associated with student activities and clubs at Rita Community School. ODBES must credit to the fund any money received for Rita Community School from donations, bequests, student fundraising activities, fees charged for camps and workshops, gate receipts from athletic contests, the student work experience program operated by the school, and any other money designated for deposit in the fund by the ODBES Superintendent. The Department's approval is not required to designate money for deposit into the fund. All investment earnings on money in the fund also must be credited to the fund.

Students with multiple disabilities

(R.C. 3325.01, 3325.011, 3325.09, and 3325.15)

The bill permits the Ohio Deaf and Blind Education Services (ODBES) Superintendent to create additional divisions to meet the educational needs of students throughout the state who have multiple disabilities if one of the disabilities is vision related, hearing related, or related to communication such that the student would benefit from the use of American Sign Language (ASL). The bill also permits ODBES to receive and administer federal funds, gifts, donations, or bequests for programs or services related to the education of those students.

The bill extends eligibility for those students to participate in ODBES' career-technical education and work training programs for secondary and post-secondary students. Under continuing law, the program is open to students who are blind, visually impaired, deaf, hard of hearing, or deafblind. A student participating in the program may receive funding for room and board, training in mobility and orientation, activities that teach daily living skills, rehabilitation technology, activities that teach group and individual social and interpersonal skills, work placement in the community by the school or a community agency, transportation to and from work sites or locations of community interaction, and supervision and management of programs and services.

The bill also permits residents of Ohio who have multiple disabilities if one of the disabilities is hearing related to enroll in the State School for the Deaf or Rita Community School. Under current law, enrollment in the State School for the Deaf is open to persons who are deaf, hard of hearing, or deafblind.

High school diploma requirements

(R.C. 3325.08)

To qualify for a high school diploma under continuing law, a student enrolled in the State School for the Deaf or Blind must complete the student's individualized education program (IEP) and complete the other high school graduation requirements established for public school students.

Under the bill, in lieu of completing an IEP to qualify for a diploma, a student may complete the curriculum of any high school.

Expense funds investment earnings

(R.C. 3325.16 and 3325.17)

The bill requires that all investment earnings on money in the State Schools for the Deaf and Blind educational program expenses funds to be credited to the respective fund.

STATE BOARD OF DEPOSIT

Public depositories

- Specifies that a financial institution must have a banking office in Ohio to serve as a public depository.

Custodial funds

- Specifies that custodial funds that are not part of the state treasury are active deposits for the purposes of the Uniform Depository Act.

Warrant clearance accounts

- Adds paper checks to the definition of a warrant clearance account.

Financial transaction devices (FTDs)

Definitions

- Redefines "financial transaction device" (FTD) and specifies that the term applies to devices for making payments or transfers of funds denominated in U.S. dollars.
- Defines "processor" as an entity conducting the settlement of an electronic payment or transfer of funds denominated in U.S. dollars.
- Expands "state entity" to include an officer under the authority of a state elected official, and to include entities that deposit funds into an account in the custody of the Treasurer of State (TOS).

Resolution

- Requires, instead of permits, the State Board of Deposit (BDP) to adopt a resolution authorizing the acceptance of payments by FTD for state expenses and eliminates certain mandatory content for the resolution.
- Specifies that BDP's resolution applies to FTD services related to bank accounts comprising the state treasury and those in the custody of TOS that are not part of the state treasury.
- Eliminates BDP's duty to send a copy of the resolution to each state elected official and state entity authorized to accept payments for state expenses by FTD.
- Eliminates the provision authorizing a state entity under the authority of a state elected official to decline to accept payments by FTD.
- Eliminates the requirement that each state elected official or state entity provide written notice to BDP's administrative agent of the official's or entity's intent to implement BDP's resolution.

Administrative agent

- Removes the requirement that BDP's administrative agent request proposals from at least three financial institutions, issuers of FTDs, or processors of FTDs.
- Requires BDP's administrative agent to request proposals for acceptance, processing, and settlement services pursuant to BDP's resolution.
- Requires BDP's administrative agent to publish electronic public notices regarding requests for proposals on the agent's website instead of a state agency website.
- Increases from ten to 15 days the minimum amount of time, after the initial publication of an administrative agent's request for proposals, after which the request for proposals will be available.
- Eliminates the requirement that the administrative agent send via email the request for proposals to financial institutions, issuers, or processors interested in receiving the request.
- Eliminates the requirement that the administrative agent's notice require that a financial institution, issuer, or processor submit written notice of its interest in the request for proposals.
- Eliminates BDP's duty to review all submitted proposals.
- Permits BDP to authorize an administrative agent to contract, on BDP's behalf, with processors submitting proposals, and permits the agent to enter into one or more contracts for acceptance, processing, and settlement services for state entities and state elected officials.
- Requires BDP's administrative agent to provide notice to a processor when the processor's proposal is rejected.

Surcharges and convenience fees

- Allows state elected officials and state entities to establish a surcharge or convenience fee on a person making payment by FTD.
- Eliminates the prohibition on surcharge or convenience fees that are not authorized by contract.
- Eliminates the requirement that every state entity accepting payment by FTD post a notice in the entity's office when a surcharge or convenience fee is imposed.
- Eliminates the requirement that a notice of a surcharge or convenience fee contain a clear statement that the surcharge or convenience fee is nonrefundable.
- Eliminates the provision stating that surcharge or convenience fees are nonrefundable.

Limitation of liability

- Excludes state entities from personal liability immunity and extends personal liability immunity to state elected officials and employees of a state entity or state elected official.

Public depositories

(R.C. 135.03)

Under Ohio's Uniform Depository Act[41] only eligible financial institutions may hold public deposits. Eligible financial institutions, such as banks, savings associations, savings and loan associations, and savings banks may apply to the State Board of Deposit (BDP) to serve as a depository of public funds. If selected by BDP, the financial institution is authorized to hold the public funds for a designated period of time.

Current law requires public depositories to be "located in" Ohio. The bill instead specifies that a public depository must have a banking office located in Ohio. Under continuing law, "banking office" means an office or other place established by a bank at which the bank receives money or its equivalent from the public for deposit and conducts a general banking business. "Banking office" does not include any of the following:

- Any location at which a bank receives, but does not accept, cash or other items for subsequent deposit, such as by mail or armored car service or at a lock box or night depository;
- Any structure located within 500 yards of an approved banking office of a bank and operated as an extension of the services of the banking office;
- Any automated teller machine (ATM), remote service unit, or other money transmission device owned, leased, or operated by a bank;
- Any facility located within the geographical limits of a military installation at which a bank only accepts deposits and cashes checks;
- Any location at which a bank takes and processes applications for loans and may disburse loan proceeds, but does not accept deposits;
- Any location at which a bank is engaged solely in providing administrative support services for its own operations or for other depository institutions.[42]

Custodial funds

(R.C. 135.01)

Under the Uniform Depository Act, "active deposit" means a public deposit necessary to meet current demands on the treasury. The bill expands this definition to also include public deposits necessary to meet current demands on a fund that is in the custody of the Treasurer of State (TOS) but not part of the state treasury.

[41] R.C. Chapter 135.

[42] R.C. 135.03 and 1101.01, not in the bill.

Warrant clearance accounts

(R.C. 135.01)

Additionally, the bill expands the definition of "warrant clearance account" to include accounts established by TOS for the deposit of active state moneys for the purposes of clearing state paper checks through the banking system.

Financial transaction devices (FTDs)

(R.C. 113.40)

Definitions

The bill changes the definition of "financial transaction device" (FTD) to exclude references to certain automated clearinghouse network entries and specifies that the term applies to devices for making payments or transfers of funds denominated in U.S. dollars.

The bill adds a definition for "processor" as "an entity conducting the settlement of an electronic payment or transfer of funds, which shall be denominated in United States dollars."

The bill expands the definition of "state entity" to include an officer under the authority of a state elected official, and entities that deposit funds into an account in the custody of TOS.

Resolution

The bill requires, rather than permits, BDP to adopt a resolution authorizing the acceptance of payments by FTD to pay for state expenses, and eliminates the following content which is required to be included in the resolution under current law:

- A designation of state elected officials and state entities authorized to accept payments by FTD;
- A list of state expenses that may be paid by the use of a FTD;
- Specific identification of FTDs that a state elected official or state entity may authorize as acceptable means of payment;
- The amount authorized as a surcharge or convenience fee for persons using a FTD;
- A specific requirement for the payment of a penalty if a payment made by means of a FTD is returned or dishonored.

The bill specifies that the resolution applies to FTD services related to all bank accounts comprising the state treasury, as well as those in the custody of TOS that are not part of the state treasury. The bill eliminates BDP's duty to transmit a copy of the resolution to each state elected official and state entity authorized to accept payments for state expenses by FTD, as well as the requirement that state elected officials and state entities provide a written notice of intent to adopt the resolution to BDP's administrative agent.

Under existing law, if a state entity under the authority of a state elected official is directly responsible for collecting state expenses, and the state elected official determines not to accept payments by FTD, the entity is not required to accept payments by FTD. The bill eliminates this

provision, removing a state elected official's discretion to reject payments by FTD by a state entity under the official's authority.

Administrative agent

Under continuing law, TOS serves as BDP's administrative agent to solicit proposals. The bill specifies that the proposals solicited must be for FTD services. Under existing law, the administrative agent must request proposals from at least three financial institutions, issuers of financial transaction devices, or processors of FTDs. The bill eliminates that requirement and adds language specifying that the request for proposals be "for acceptance, processing, and settlement services."

Under the bill, the administrative agent must publish an electronic notice regarding requests for proposals on the agent's website instead of on a state agency website as required under existing law. The bill increases, from ten to 15 days, the minimum amount of time after the initial publication of the request for proposals after which the request for proposals will be available. It also eliminates the administrative agent's duty to email the request for proposals to financial institutions, issuers, or processors.

Under existing law, BDP itself, after reviewing all submitted proposals and considering its administrative agent's recommendation, may choose to contract with processors and must provide notice to a processor when the processor's proposal is rejected. The bill transfers the authority to contract to the administrative agent, as well as the duty to notify a processor of a rejected proposal. The bill eliminates BDP's duty to review all submitted proposals.

Surcharges and convenience fees

The bill transfers the authority to establish surcharge and convenience fees on a person making payment by FTD from BDP to state elected officials and state entities. The bill expands the state's ability to impose surcharge and convenience fees on persons making payment by FTD by eliminating the requirement that the authority to impose such fees be provided for under contract.

Under continuing law, when a surcharge or convenience fee is imposed, state entities must notify each person making payment about the surcharge or fee. The bill eliminates the requirement that every state entity accepting payment by FTD post a notice in the entity's office when a surcharge or convenience fee is imposed. The bill eliminates existing language stating that surcharge and convenience fees are not refundable and eliminates the requirement that each notice contain a statement that the surcharge or fee is nonrefundable.

Limitation of liability

Existing law provides personal liability immunity to state entities and employees for the final collection of FTD payments. The bill eliminates this immunity for state entities and extends it to state elected officials. The bill adds language specifying that the employees covered under this immunity are those employed by "a state entity or state elected official."

DEPARTMENT OF DEVELOPMENT

Residential Broadband Expansion Program scoring

- Modifies the application scoring system for the Ohio Residential Broadband Expansion Program.

State private activity bond ceiling and fund

- Grants the Department of Development (DEV) authority to allocate Ohio's volume ceiling on state private activity bonds established under federal income tax law.
- Requires DEV to adopt rules governing the administration of the volume ceiling, including an allocation formula.
- Establishes a custodial fund consisting of fees paid by issuers receiving volume ceiling allocations to pay DEV's costs in administering Ohio's volume ceiling.

Tourism attractions and professional sports facilities funding

Roadwork Development Fund

- Expands the purposes of the existing Roadwork Development Fund to include funding the following:
  - Construction, reconstruction, maintenance, or repair of public roads that provide or improve access to professional sports facilities;
  - Associated improvements necessary for access to tourism attractions and professional sports facilities; and
  - Improvements associated with the retail and residential components that are a part of a tourism attraction or professional sports facility.

Facilities Establishment Fund

- Expands the purposes of the existing Facilities Establishment Fund to include funding persons that are engaged in developing tourism attractions and professional sports facilities.
- Removes the fund's existing exclusion of point-of-final-purchase retail facilities as eligible projects for purposes of receiving money from the fund and its associated programs.

Custodial funds

- Creates the Automated Clearing House Payments Fund consisting of regular loan repayments and fees by ACH transfer for loans made from loan programs administered by the DEV Director.
- Creates the Enterprise Bond Retirement Fund consisting of repayments, fees, and other money attributable to loans made by the DEV Director from the Facilities Establishment Fund.

- Creates the Regional Loan Escrow Fund consisting of all grants, gifts, contributions, and other money designated for or deposited in the fund, and all repayments, fees, and other money attributable to loans made under the Regional 166 Loan Program.
- Eliminates the Mortgage Insurance Fund and the corresponding authority of the DEV Director to insure mortgage payments on behalf of a person, partnership, corporation, or community improvement corporation using money from the fund.
- Eliminates the Mortgage Guarantee Fund.
- Eliminates the DEV Director's Purchase Fund.
- Eliminates sinking fund requirements for certain funds received by the DEV Director.

Individual Microcredential Assistance Programs

- Creates the Institutional Platinum Provider Program (IPPP) under which a state institution of higher of education participating in the Individual Microcredential Assistance Program (IMAP) may receive one or more advance payments for training costs for individuals to earn a microcredential.
- Increases from $500,000 to $1 million the total advance payment or reimbursement amount an institution participating in IMAP and IPPP may receive in a fiscal year.
- Creates the Platinum Provider Program under which an eligible IMAP participant may receive one or more advance payments for training costs for individuals to earn a microcredential.

Affirmative action programs in public contracting

- Eliminates a requirement for all contractors from whom the state or a political subdivision makes purchases to have a written affirmative action program for the employment and utilization of economically disadvantaged persons.
- Eliminates a prohibition against DEV disbursing capital money appropriated for any project unless the project provides for an affirmative action program for the employment and utilization of persons who are disadvantaged due to their culture, race, ethnicity, or other similar reasons.
- Repeals a requirement that a person receive a certificate of compliance with affirmative action programs before bidding on a public improvement construction contract or a transportation construction contract awarded by the Director of Transportation.
- Prohibits most public authorities, for subcontracts of construction managers at risk, integrated project contractors, and design-build firms, from eliminating a bidder as unqualified on the basis that the bidder has not complied with an affirmative action program, or a diversity, equity, and inclusion program.

Welcome Home Ohio (WHO) Program

- Decreases the minimum square footage for homes that receive Welcome Home Ohio (WHO) grants or tax credits from 1,000 to 800 square feet.
- Allows WHO funds to be used to acquire or rehabilitate manufactured homes but not mobile homes.
- Allows WHO funds to be used to acquire or rehabilitate residential units in a mixed-use development but requires the funds to be used for the residential units, common areas used by the occupants of the residential units, or improvements that serve the residential units.
- Increases the amount of the WHO tax credit from one-third of the construction and rehabilitation costs to 90% of such costs.
- Extends the WHO tax credit through the end of FY 2027 and allows up to $20 million in tax credits to be awarded in the biennium.
- Allows DEV to award WHO grants to certain qualified nonprofit developers that are incorporated in Ohio for the purpose of improving the physical, economic, or social environment by addressing critical problems like housing.
- Increases, from $30,000 to $100,000, the maximum amount of a WHO grant to rehabilitate or construct a home.
- Applies the same $100,000 cap to WHO grants for the acquisition of a home, which are not limited by current law.
- Increases the income eligibility threshold for buyers of WHO-funded homes from 80% to 120% of the median income of the county in which the home is located.
- Increases the amount for which WHO-funded homes may be sold from $180,000 to $220,000.
- Reduces from five years to three years the amount of time the buyer of a WHO-funded home must agree to occupy the home as a primary residence and not rent it to anyone else.
- Reduces from 20 years to 15 years the amount of time the buyer of a WHO-funded home must agree to not sell the home to anyone whose income exceeds the WHO eligibility thresholds.
- Specifies that the deed restriction concerning subsequent sales of a WHO-funded home is a covenant running with the land and is enforceable against subsequent buyers.
- Allows a grant or tax credit recipient to include in the deed restriction a right of first refusal to repurchase the property in order to ensure that subsequent buyers meet the income eligibility requirements.

- Allows up to $2,000 of each WHO grant or tax credit to be used to fund the financial literacy counseling that grant recipients are required, under continuing law, to provide to purchasers of the property.
- Reduces the minimum duration of the counseling from one year to six months.
- Requires the counseling to include basic home maintenance and financial literacy components, and to be conducted by a person who is licensed, certified, or authorized to provide such counseling services.
- Requires a grant recipient to reinvest any profits derived from the sale of a WHO-funded home in the land bank's land reutilization program or the developer's housing program.

Major workforce housing grants

- Establishes a grant program for townships and municipal corporations that adopt pro-housing policies.
- Appropriates $2.5 million in FY 2026 and FY 2027 to the Housing Accelerator Fund (HAF) created by the bill for the purposes of funding the grant program.
- Limits the amount of the grant received by any township or municipal corporation to 15% of the available funds.
- Reserves approximately 75% of the available funds for the first ten applicants, and reserves 25% of the available funds for applicants that adopt six or more pro-housing policies.
- Requires a township or municipal corporation to use at least half of the grant funds received for certain housing-related purposes.

Residential Broadband Expansion Program scoring

(R.C. 122.4041)

The bill makes changes to the scoring system used for applications submitted under the Ohio Residential Broadband Expansion Program. Specifically, the 300-point maximum score for eligible projects for unserved and underserved areas is to be calculated as follows:

- One-half point for each residential address in unserved areas of the application;
- One-quarter point for each residential address in underserved areas of the application.

Under current law, the 300-point maximum score for eligible projects for unserved/underserved areas is to be calculated as the sum of:

- The product of 300 multiplied by the percentage of "passes" in unserved areas of the application;
- One half of the product of 300 multiplied by the percentage of passes in underserved areas of the application.

Current law defines "passes" as the residential addresses in close proximity to a broadband provider's broadband infrastructure network to which residents at those addresses may opt to connect. The bill repeals this definition as it is no longer needed with the bill's amendments to those provisions.

State private activity bond ceiling and fund

(R.C. 122.97)

The bill grants DEV the authority to allocate Ohio's volume ceiling on the aggregate amount of state private activity bonds issued as provided under federal law. Private activity bonds are issued by or on behalf of a state or local government for the purpose of providing special financial benefits for qualified projects. If the bonds meet specific criteria the interest earned may be tax-exempt. Federal law establishes the ceiling applicable for each state and grants states authority to allocate the ceiling among issuing authorities in the state.[43]

The bill requires DEV to adopt rules under the Administrative Procedure Act (R.C. Chapter 119) that do the following:

- Provide a formula for allocating the volume ceiling, as authorized by federal law;
- Authorize procedures to administer those allocations;
- Impose fees on persons to which the allocations are issued;
- Establish any other requirements, processes, or procedures to administer the volume ceiling.

The bill creates the Development Volume Cap Fund as a custodial fund consisting of all fees paid by issuers receiving volume ceiling allocations. The fund pays DEV's costs in administering ceiling allocations. The Treasurer of State must disburse money from the fund on DEV's order. All interest and investment income earned by the fund must be deposited into the fund.

Tourism attractions and professional sports facilities funding

Roadwork Development Fund

(R.C. 122.14)

The bill expands the purposes of the existing Roadwork Development Fund (RDF) to include both of the following:

- Funding construction, reconstruction, maintenance, or repair of public roads that provide or improve access to professional sports facilities; and
- Funding associated improvements that are necessary for access to tourism attractions and professional sports facilities.

[43] 26 U.S.C. 141 and 146(d) and (e).

The bill then authorizes tourism attractions and professional sports facilities to use the money received from DEV from the RDF to make improvements that are associated with the retail and residential components within their surrounding development. The RDF consists of investment earnings of the Security Deposit Fund and revenue transferred from the Highway Operating Fund. Each of these sources is limited in how its money can be used by Article XII, Section 5a of the Ohio Constitution, thus the RDF has the same limitation.

That limitation, in relevant part, states that the money derived from fees and taxes (including motor fuel taxes) associated with motor vehicle registration, operation, or use must be used only for the costs for construction, reconstruction, maintenance, and repair of public highways and bridges and the costs associated with administration and enforcement of traffic laws. The RDF's current purposes meet that constitutional limitation, and the expansion of the fund to include similar activities on public roads and associated improvements for professional sports facilities appears to be consistent with that limitation.

However, if challenged, a court might examine whether the constitutional limitations on the RDF permit the bill's authorization for tourism attractions and professional sports facilities to use RDF money towards retail and residential components within their development, without any specification that it only be for public roads.

Facilities Establishment Fund

(R.C. 166.01, 166.02, 166.12, and 166.17)

The bill expands the purposes of the existing Facilities Establishment Fund (FEF). Under current law, the FEF finances loans to persons engaged in "industry, commerce, distribution, or research" to encourage such persons to acquire, construct, reconstruct, rehabilitate, renovate, enlarge, improve, equip, furnish, or otherwise develop various eligible projects. The eligible projects relate to innovation, research, and development in various capacities.

The bill adds persons engaged in the development of tourism attractions or professional sports facilities as entities eligible for loans from the FEF and through the Department of Development programs financed through that fund. Additionally, it adds the development of tourism attractions or professional sports facilities as types of eligible projects to receive the funding, regardless of what entity is sponsoring their development. Relatedly, the bill removes a current limitation that eligible projects cannot solely finance or finance the portion of a project that includes a point-of-final-purchase retail facility (e.g., retail store, supermarket, department store, etc.). As such, the bill allows the developer of a tourism attraction and professional sports facility (in addition to the other types of developers) to use money from the FEF towards the retail components within their development, similar to the expansion of the RDF above.

Custodial funds

(R.C. 166.36, 166.37, and 166.38, enacted; R.C. 122.451, 122.55, 122.56, 122.561, and 122.57, repealed; and R.C. 122.41, 122.42, 122.47, 122.49, 122.53, 122.571, 122.59, 165.04, 166.03, 166.08, 169.01, and 169.05 (conforming changes))

The bill creates three custodial funds, meaning the funds are held in the custody of the Treasurer of State but are not part of the state treasury.

1. The new Automated Clearing House Payments Fund will consist of regular loan repayments and fees by ACH transfer for loans made from loan programs administered by the DEV Director. The DEV Director has discretion to transfer money from this fund to the new Enterprise Bond Retirement Fund (also created under the bill) or to any fund within the state treasury.

2. The new Enterprise Bond Retirement Fund will consist of repayments, fees, and other money attributable to loans made by the DEV Director from the Facilities Establishment Fund. The Director has discretion to transfer money from the fund to any fund related to certain economic development programs or to any fund in the state treasury.

3. The new Regional Loan Escrow Fund will consist of all grants, gifts, contributions, and other money designated for or deposited in the fund, and all repayments, fees, and other money attributable to loans made under the Regional 166 Loan Program. The DEV Director has discretion to release money in the fund for purposes of making loans related to certain economic development programs. Each fund retains all interest and investment income earned by the fund.

The bill eliminates the following funds:

- The Mortgage Insurance Fund, and the corresponding authority of the DEV Director to insure mortgage payments on behalf of a person, partnership, corporation, or community improvement corporation using money from the fund.
- The Mortgage Guarantee Fund, used for a variety of guaranty programs.
- The DEV Director's Purchase Fund, used for purchasing or improving certain properties.

The bill also eliminates sinking fund requirements for certain funds received by the DEV Director: payments of principal of and interest on the loans made by the Director, all rentals received under leases made by the Director, and all proceeds of the sale or other disposition of property held by the Director.

Individual Microcredential Assistance Programs

(R.C. 122.1710, 122.1712, and 122.1713; Section 701.50)

The bill enacts the Platinum Provider Act. It modifies the existing Individual Microcredential Assistance Program (IMAP) and creates two platinum provider programs for certain IMAP participants: the Institutional Platinum Provider Program and the Platinum Provider Program. Under the platinum provider programs, certain IMAP participants may be eligible for one or more advance payments in addition to reimbursements for which the participants may be eligible under IMAP. Under continuing law, IMAP reimburses participating training providers for training costs for individuals to earn a microcredential. A "microcredential" is an industry-recognized credential or certificate that an individual may complete within one year and that is approved by the Chancellor of Higher Education.[44]

[44] By reference to R.C. 122.178, not in the bill.

The bill requires the DEV Director, who administers IMAP, to do both of the following with respect to the platinum provider programs:

- Create applications to participate in and seek advance payments under the programs;
- Adopt rules to implement the programs.

Institutional Platinum Provider Program

Under the bill, the DEV Director, in consultation with the Governor's Office of Workforce Transformation (OWT), must establish an Institutional Platinum Provider Program (IPPP) for state institutions of higher education. A state institution approved to participate in IMAP is eligible to participate in IPPP. The bill increases from $500,000 to $1 million the total advance payment or reimbursement amount a state institution participating in IMAP and IPPP may receive in a fiscal year. The total amount of advance payments a state institution may receive under IPPP in any fiscal year cannot exceed the total reimbursement amount the institution initially seeks under IMAP.

Institutional duties

The bill requires each state institution to:

- Provide at least two in-person training programs and at least one online training program for individuals to earn a microcredential; and
- By December 31 immediately after IPPP is established, and by December 31 of each year after that, apply to participate in IMAP.

Institutional platinum providers

If the DEV Director approves a state institution's application to participate in IMAP, all of the following apply:

- The DEV Director must designate the state institution as an institutional platinum provider.
- The state institution may participate in IPPP.
- The state institution is eligible to apply for one or more advance payments under IPPP to cover training costs for individuals to earn a microcredential.

Initial advance payments

An institutional platinum provider may apply for an initial advance payment of not more than 20% of the total reimbursement amount the state institution seeks under IMAP. If a state institution applies for an advance payment, the DEV Director must provide it to the institution in the amount specified in the application.

Subsequent advance payments

After each training program an institutional platinum provider administers during a fiscal year that results in at least one individual earning a microcredential, the state institution may apply for a subsequent advance payment. Each subsequent advance payment cannot exceed 20%

of the total reimbursement amount the state institution seeks under IMAP. If at least 50% of the individuals who participated in the state institution's last training program earned a microcredential, the DEV Director must provide another payment to the state institution in the amount specified in the application. If, however, less than 50% of the individuals earned a microcredential, to be eligible for another payment, the state institution must refund a certain percent of the advance payment amount that was last provided to the institution during the fiscal year. The percent is the difference between 50% and the percent of individuals who earned a microcredential. If the state institution refunds that amount, the DEV Director must provide another payment to the state institution in the amount specified in the application. If the state institution does not refund that amount, the DEV Director cannot provide another payment.

IMAP reimbursements

If the DEV Director approves an institutional platinum provider's reimbursement application under IMAP, the Director must reimburse the state institution for the total actual training cost less the total advance payment amount the state institution received under IPPP. The DEV Director cannot reimburse the state institution for any amounts the institution refunded under IPPP. If the total actual training cost is less than the total advance payment amount the state institution received under IPPP, the state institution must refund the difference between the total advance payment amount and the actual training cost.

Platinum Provider Program

The bill requires the DEV Director, in consultation with OWT, to establish a separate Platinum Provider Program (PPP) for training providers participating in IMAP. A training provider is an Ohio technical center, state institution of higher education, or private business or institution that offers training to allow an individual to earn a microcredential. A training provider that is approved to participate in IMAP and that meets the bill's requirements is eligible to participate in PPP. A training provider approved to participate in PPP may receive one or more advance payments to cover the training costs for individuals to earn a microcredential. A training provider participating in PPP may receive a total advance payment under PPP, or reimbursement under IMAP, of up to $500,000 in a fiscal year.

Application

After being approved to participate in IMAP, a training provider seeking to participate in PPP must apply to the DEV Director on a form prescribed by the Director. The training provider must include in the application all of the following information:

- The initial advance payment amount the training provider is seeking, not to exceed 20% of the total reimbursement amount the training provider seeks under IMAP;
- Evidence that at least 80% of individuals who participated in training programs offered by the training provider in the previous fiscal year earned a microcredential under IMAP;
- The number of microcredentials for which the training provider is seeking an advance payment and the names of the microcredentials;

- The training cost for each microcredential for which the training provider is seeking an advance payment;
- Proof that the training provider has obtained a surety bond that meets the bill's requirements.

The DEV Director must notify a training provider in writing of the Director's decision to approve or deny a training provider's application.

Initial advance payment

If the DEV Director approves a training provider's application to participate in PPP, the Director must do both of the following:

- Designate the training provider as a platinum provider;
- Provide an initial advance payment to the platinum provider in the amount specified in the application but not exceeding the least of the following amounts:
  - $100,000;
  - 20% of the total amount of reimbursement the provider seeks under IMAP;
  - The amount of the surety bond that the provider must maintain to participate in PPP, less any previous advance payment the provider must refund to the DEV Director.

Subsequent advance payments

After each training program that a platinum provider administers during a fiscal year that results in at least one individual earning a microcredential, the provider may apply for a subsequent advance payment. Each subsequent advance payment cannot be more than the least of the amounts listed above. The provider must include in the application the same information required in the initial application to participate in PPP. If at least 80% of the individuals who participated in the provider's last training program earned a microcredential, the DEV Director must provide a subsequent advance payment to the provider in the amount specified in the application. If, however, less than 80% of the individuals earned a microcredential, to be eligible for a subsequent advance payment, the provider must refund a certain percent of the advance payment amount that was last provided to the provider during the fiscal year. The percent is the difference between 80% and the percent of individuals who earned a microcredential. If the provider refunds that amount, the DEV Director must provide a subsequent advance payment to the provider in the amount specified in the application. If the provider does not refund that amount, the DEV Director cannot provide a subsequent advance payment.

IMAP reimbursements and refunds

If the DEV Director approves a reimbursement application a platinum provider submits under IMAP, the Director must reimburse the provider for the total actual training cost under IMAP less the total advance payment to the provider under PPP. The Director cannot reimburse the provider for any amounts the provider refunded under PPP. If the total actual training cost is less than the total advance payment amount the provider received under PPP, the provider must refund the difference between the advance payment amount and the actual training cost. If a

provider fails to apply for reimbursement under IMAP, the Director must require the provider to refund the total advance payment amount the provider received under PPP.

Revocation of platinum provider status

If, at the time a platinum provider seeks reimbursement under IMAP, the DEV Director determines that less than 80% of individuals who participated in the provider's training programs in the fiscal year earned a microcredential, or that the provider has failed to maintain the required bond, both of the following apply:

- The DEV Director must revoke the provider's status as a platinum provider.
- The provider is ineligible to participate in PPP for the following fiscal year.

A training provider whose platinum status is revoked may reapply to participate in PPP in the fiscal year that follows the fiscal year in which the provider is ineligible to participate in PPP.

Surety bond

A training provider that is designated as a platinum provider or that seeks to participate in PPP must maintain a surety bond issued by a bonding or insurance company licensed to do business in Ohio. The bond must be in favor of the DEV Director. It also must be in an amount not less than the sum of the total advance payments the provider received for the fiscal year plus any advance payments for any previous fiscal year that the provider must refund. The provider must maintain the bond while participating in PPP and cannot allow it to expire or terminate until the provider applies for reimbursement under IMAP or refunds any applicable amounts.

IMAP application period

The bill establishes the application period under IMAP to address the interaction between it and the platinum provider programs created by the bill. Current law does not specify the application period. Under continuing law, a training provider seeking reimbursement for training costs under IMAP must submit an initial application to participate in IMAP. After being approved to participate and administering a training program, the training provider must submit a separate reimbursement application. The bill ties the application period under IMAP to the state fiscal year. It requires the DEV Director to administer IMAP so that the total reimbursement to each IMAP participant occurs at least once per fiscal year. Each training provider seeking to participate in IMAP under the bill must apply at the beginning or before the beginning of the fiscal year, but not later than the date established by the Director. The training provider must submit the reimbursement application during the fiscal year in which the training provider applied to participate in IMAP, but not later than the date established by the Director.

Affirmative action programs in public contracting

(R.C. 9.47, repealed; R.C. 125.11, 153.502, and 153.59; conforming changes in R.C. 153.08 and 5525.03)

The bill eliminates the following provisions related to affirmative action programs in public contracting:

- A requirement for all contractors from whom the state or a political subdivision makes purchases to have a written affirmative action program for the employment and utilization of economically disadvantaged persons.
- A prohibition against DEV disbursing capital money appropriated for any project unless the project provides for an affirmative action program for the employment and utilization of persons who are disadvantaged due to their culture, race, ethnicity, or other similar reasons.
- A requirement that a person receive a certificate of compliance with affirmative action programs before bidding on a public improvement construction contract or a transportation construction contract awarded by the Director of Transportation.

Subject to the exceptions listed below, with respect to subcontracts of construction managers at risk, integrated project contractors, and design-build firms, the bill prohibits a public authority from eliminating a bidder as unqualified on the basis that the bidder has not complied with an affirmative action program or a diversity, equity, and inclusion program. The prohibition does not apply to either of the following:

- County policies to assist minority business enterprises in competitively bid contracts;
- Any set-aside programs for minority business enterprises or EDGE business enterprises.

Under continuing law, a "minority business enterprise" means a business that is owned and controlled by U.S. citizens who reside in Ohio and are members of one of the following economically disadvantaged groups: Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians.[45] An "EDGE business enterprise" is a business certified by the DEV Director as being owned by one or more individuals who are economically and socially disadvantaged based on wealth, business size, and other characteristics, including color, ethnicity, gender, disability, or some other disadvantage not common to other small business owners.[46]

Welcome Home Ohio (WHO) Program

(R.C. 122.631, 122.632, and 122.633)

The Welcome Home Ohio (WHO) Program allows DEV to award grants and tax credits for the purchase, construction, or rehabilitation of qualifying residential property. The bill makes numerous changes to the WHO Program, including by increasing the tax credit amount, extending grant eligibility to certain nonprofit developers, adjusting the standards for types of properties that may be purchased and rehabilitated, and relaxing conditions for ownership of a WHO-funded home.

Qualifying residential property

Under current law, "qualifying residential property" is defined as a single-family residence with at least 1,000 square feet of habitable space. The term includes a single unit in a multi-unit

[45] R.C. 122.71, not in the bill.

[46] R.C. 122.922, not in the bill.

property as long as the property has no more than ten total units. The definition explicitly excludes a "manufactured home," which is a building unit or assembly of closed construction that is fabricated in an off-site facility and constructed in conformance with certain specified federal construction and safety standards.[47]

The bill reduces the minimum square footage of qualifying residential property from 1,000 square feet to 800 square feet. It also allows WHO funds to be used to acquire, construct, or rehabilitate residential units in mixed-use developments and manufactured homes. However, the bill prohibits the use of WHO funds on a "mobile home," which is a building unit or assembly of closed construction that is fabricated in an off-site facility, is more than 35 body feet in length or, when erected on site, is 320 or more square feet, is built on a permanent chassis, is transportable in one or more sections, and does not qualify as a manufactured home.[48]

If grant funds are awarded to construct or rehabilitate a mixed-use building, the bill generally requires those funds to be used in areas of the building that are designated for residential use. However, the funds may be used in common areas so long as they are used by the occupants of the residential units and for improvements that serve both the residential units and other portions of the project. The bill requires the DEV Director to adopt rules to determine the value of qualifying residential property located in a mixed-use building and the total value of the building.

Tax credit

The WHO Program allows DEV to award nonrefundable tax credits against the income tax and financial institutions tax (FIT) to land banks and eligible developers for the rehabilitation or construction of qualifying residential property. An "eligible developer" is one of several enumerated nonprofit entities, provided a primary activity of the entity is the development and preservation of affordable housing or a community improvement corporation or community urban redevelopment corporation. Under current law, the tax credit equals $90,000 per qualifying residential property or one-third of the cost of construction or rehabilitation, whichever is less.

The bill increases the amount of the credit from one-third of construction or rehabilitation costs to 90% of such costs. The bill retains the $90,000 cap for each residential property. Current law allows DEV to issue up to $25 million in tax credits in both FY 2024 and FY 2025 and then sunsets the credit. The bill extends the credit through the end of FY 2027, and allows $20 million in tax credits to be issued over the course of the biennium.

Qualified nonprofit developers

Current law limits eligibility for WHO grants to "electing subdivisions" and "county land reutilization corporations," which are collectively referred to in this analysis as "land banks." A

[47] R.C. 3781.06, not in the bill.

[48] R.C. 4501.01, not in the bill.

land bank is a political subdivision or a special-purpose nonprofit entity designated by a county that acquires foreclosed properties and either sells them or dedicates them to public use.

The bill also allows certain nonprofit corporations, referred to as "qualified nonprofit developers," to receive WHO grants. As a baseline for eligibility, a qualified nonprofit developer must be incorporated in Ohio and engaged in community development activities primarily within an identified geographic area of operation in Ohio. Furthermore, the primary purpose of a qualified nonprofit developer must be to improve the physical, economic, or social environment by addressing critical problems in its geographic area of operation, including housing.

Maximum grant amount

Under continuing law, the amount of a WHO grant to acquire, construct, or rehabilitate qualifying residential property is determined by DEV based on the amount of available funding. Current law caps the amount of the construction or rehabilitation grant at $30,000 per qualifying residential property. The bill increases the cap to $100,000 per qualifying residential property. Furthermore, it applies the same $100,000 cap to the acquisition grants, which are not capped by current law.

Continuing law allows a land bank, and the bill allows a qualified nonprofit developer, to receive both an acquisition grant and a construction or rehabilitation grant for the same qualifying residential property. Therefore, under the bill, DEV may approve up to $200,000 in grants for the same qualifying residential property.

Price and income thresholds

Under current law, WHO-funded homes must be sold for $180,000 or less. The buyer must be an individual, or individuals, with annual income that is no more than 80% of the median income for the county where the home is located. The bill increases the maximum sale price to $220,000 and the maximum income for buyers to 120% of the median income of the county where the home is located.

Agreement to occupy the home

Continuing law requires buyers of WHO-funded homes to agree to maintain ownership of the home as a primary residence and not rent the home to anyone else for five years. If the buyer violates that agreement, they are required to pay a penalty of $90,000 (the maximum grant or tax credit amount) reduced by $18,000 ($\frac{1}{5}$ of that amount) for each year the buyer occupied the home as a primary residence. The bill reduces the term of the agreement from five years to three years. Furthermore, it specifies that the penalty is the amount of the grant or tax credit attributable to the home, which might be less than the maximum grant amount, reduced by $\frac{1}{3}$ for each year the buyer occupied the home as a primary residence. In essence, the bill accelerates the rate at which the penalty decreases commensurate with the reduction in time that the agreement applies.

Deed restriction

Continuing law requires a land bank or developer, when conveying a WHO-funded home to a buyer, to include a deed restriction that prohibits subsequent sales to a person who does not meet the income eligibility requirements. Currently, the deed restriction lasts for 20 years

following the initial sale of the home. The DEV Director has authority and standing to sue and enforce the deed restriction.

The bill reduces the time that the deed restriction applies from 20 years to 15 years. Furthermore, it allows the land bank or developer to include a right of first refusal in the deed restriction to repurchase the home for the purpose of ensuring that it is ultimately sold to a buyer who meets the income eligibility requirement. The bill specifies that the deed restriction is a covenant running with the land and is fully binding upon subsequent buyers of the home until it expires.

Financial literacy counseling

Under continuing law, land banks and developers that receive a WHO grant or tax credit must agree to provide financial literacy counseling to each buyer of a home that is purchased, rehabilitated, or constructed using WHO funds. Buyers of WHO-funded homes must agree to participate in the financial literacy counseling.

The bill allows up to $2,000 in grant or tax credit funds to be used to pay for the financial literacy counseling. It requires the counseling to be comprised of a home ownership course with a curriculum that includes basic home maintenance and financial literacy. The course must be offered by a "qualifying counseling provider," that is licensed, certified, or authorized to provide such counseling as one of its primary functions including, specifically, housing counselors certified by the federal Department of Housing and Urban Development (HUD). The bill reduces the minimum duration of the counseling from one year to six months.

Reinvestment of profits

The bill requires the recipient of a WHO grant to use all profits derived from the sale of the WHO-funded home for the land bank's land reutilization program or the developer's housing program.

Major workforce housing grants

(R.C. 122.634)

The bill establishes a grant program within the Department of Development (DEV) to award money to townships and municipal corporations that adopt at least three pro-housing policies identified by the bill. Grants are awarded from the newly created Housing Accelerator Fund (HAF) to which the bill appropriates $2.5 million in each of FY 2026 and FY 2027. Townships and municipal corporations that receive grants must use at least half of the funds for certain housing-related purposes specified by the bill.

Pro-housing policies

The bill provides three categories of pro-housing policies. In order to qualify for a grant, a township or municipal corporation must adopt and implement at least one policy from each category.

Pro-housing policies

Category 1: density

- No parking requirements or minimal parking requirements for developments that include residential units;
- Allow "quadplex housing," i.e., a parcel with four dwelling units designated for occupancy by four independent individuals or families, in at least 75% of the territory of the township or municipal corporation;
- Repeal minimum lot size requirements;
- Reduce, by at least 50%, the portion of territory within the township or municipal corporation that is zoned for single-family use only, as compared to the portion of territory zoned for that purpose ten years before the application date.

Category 2: site readiness

- Subsidize or decrease costs related to water or sewer connections for "major workforce housing projects," i.e., a project that reserves at least 20 units, designed for residential occupancy by at least 20 independent individuals or families, for households earning between 60% and 100% of the median income for the county where the project is located, as determined by the DEV Director;
- Acquire and ready sites that are ready to be financed and built upon by housing developers;
- Provide incentives related to increased density to developers that provide low-income housing and workforce housing;
- Provide incentives for modular housing or manufactured homes;
- Adopt road regulations and specifications for county roads recommended by the Department of Transportation for all roads constructed for the purpose of housing projects;
- Adopt a building code that is not more restrictive than the State Building Code for the specific style of exterior cladding or finish materials for residential buildings.

Category 3: building code enforcement

- Have a process in place to reduce the time it takes to review and complete all regulatory approvals for housing developments by at least 30% or that reduces the time it takes to review and grant permits to four months or less;
- Have a pre-approval process in place to create an expedited review and granting of permits for a diverse range of developers;
- Have an expedited approval process for development plans sharing 90% of the elements of a development plan that was previously approved;
- Have a housing plan within the last five years that tracks the needs, gaps, and potential strategies for increasing housing across all income levels within the township or municipal

Pro-housing policies

corporation for at least the next ten years and identifies opportunities to reduce the regulatory burden on housing development;

- Have policies that preserve existing moderate and low-income housing;
- Allow accessory dwelling units.

Application and distribution

The bill requires that the grant application include, at minimum, documentation or other evidence showing the township or municipal corporation has adopted at least one pro-housing policy from each of the categories described above. The application must also provide a description of how the township or municipal corporation intends to utilize the grant funds received.

Under the bill, DEV is required to annually review applications and award grants to the extent that grant funds are available. The bill prohibits any applicant from receiving more than 15% of the total funds available, regardless of the number of applicants. The first ten townships and municipal corporations that timely submit a complete application and demonstrate eligibility for the grant are guaranteed to receive a portion of the available funds. Approximately 75% of the funds are reserved for those first ten townships and municipal corporations. Additionally, approximately 25% of the available grant funds are reserved for townships and municipal corporations that adopt and implement six or more of the pro-housing policies described above.

Use of funds

At least half of the grant funds received by a township or municipal corporation must be used for one or more of the following purposes:

- Providing capital for housing development through grants or loans;
- Supporting first-time home buyers;
- Providing funds for home repairs for low-income homeowners;
- Providing funds for multi-family building improvements for low- and middle-income landlords;
- Enforcing zoning and residential building regulations;
- Enforcing anti-discrimination housing regulations;
- Providing funds for tenant protection and empowerment;
- Acquiring and readying sites for housing development;
- Funding a conversion under the rental assistance demonstration program;
- Providing long-term housing for difficult to house populations.

The grant recipient must provide DEV with documentation sufficient to prove that at least half of the grant funds were used for those purposes. A township or municipal corporation that is unable to provide sufficient documentation is prohibited for receiving funds under the program for five years following the date that the funds were improperly expended.

DEPARTMENT OF DEVELOPMENTAL DISABILITIES

Supported living

Guardianship and supported living

- Prohibits the guardian of an individual with developmental disabilities, or a supported living certificate holder owned or operated by the guardian, from providing supported living to that individual unless related by blood, adoption, or marriage.

Proof of residency for applicant for employment or supported living certificate

- Regarding the requirement that an applicant for employment with the Department or a county board or an applicant for a supported living certificate provide the Department with proof of residency, eliminates the requirement that the applicant's statement regarding residency be notarized.

Termination of supported living certificate

- Requires, rather than permits, the Director of Developmental Disabilities to terminate a supported living certificate if the certificate holder does not bill the Department for supported living services for 24 consecutive months.
- Specifies that the Department's action to terminate a supported living certificate is accomplished by sending a notice to the certificate holder by certified mail explaining its action.

Health-related activities

Developmental disabilities personnel – medication administration and other health-related activities

- Specifically authorizes developmental disabilities personnel to administer prescribed epinephrine intranasally to treat anaphylaxis, without nursing delegation and without a medication administration certificate.
- Authorizes developmental disabilities personnel, with nursing delegation, to administer to recipients of early intervention, preschool, and school-age services prescribed medications for the treatment of metabolic glycemic disorders through subcutaneous injections.
- Replaces statutory references to **vagal nerve stimulators** with references to **vagus nerve stimulators**.
- Requires developmental disabilities personnel to successfully complete training as a condition of administering topical over-the-counter medications as permitted under continuing law.

Family member authority to administer medications and perform health-related activities

- Authorizes certain family members of an individual with a developmental disability to administer medications to, and perform health-related tasks for, the individual without holding a medication administration certificate and without nursing delegation.

In-home care workers and health care tasks

- Establishes an additional condition on the authority of a family member to authorize an unlicensed in-home care worker to perform health care tasks for an individual with a developmental disability –that the family member is not acting as a paid provider for the individual.
- Eliminates the requirements that the unlicensed in-home worker provide care through employment or another arrangement with the family member and is not otherwise employed to provide services to individuals with developmental disabilities.
- Requires an unlicensed in-home worker to accept the written document in which the family member authorizes the worker to perform health-related tasks before the worker may perform them.
- Requires a county board of developmental disabilities to authorize appropriately credentialed providers to perform health care tasks for an individual with a developmental disability, rather than an in-home worker, when it determines that the individual's family member acted inappropriately.

Service and support administrator training requirements

- Requires a superintendent of a county board of developmental disabilities to ensure that a conditional status service and support administrator successfully completes a web-based training program established by the Department within 30 days of being hired.

Intermediate care facilities for individuals with developmental disabilities (ICFs/IID)

ICF/IID professional workforce development payment

- For FY 2026, specifies that the professional workforce development payment component of an ICF/IID's per Medicaid day payment rate equals 10.405% of an ICF/IID's desk-reviewed, actual, allowable, per Medicaid day direct care costs from the applicable cost report year.

Nonfederal share of Medicaid expenditures for state-operated ICF/IID services

- Requires the Director to annually establish a methodology for determining the amount to be collected from a county board that is required to pay the nonfederal share of Medicaid expenditures for an individual committed to a state-operated ICF/IID.

- Eliminates law that exempts a county board from paying the nonfederal share of Medicaid expenditures, if the county board arranges for the provision of alternative services for an individual within 180 days of the individual being committed to the ICF/IID.
- Clarifies that the Director may grant a waiver to a county board for either a portion or full amount of the estimated nonfederal share that a county board would otherwise be responsible for.

County share of nonfederal Medicaid expenditures

- Requires the Director to establish a methodology to estimate in FY 2026 and FY 2027 the quarterly amount each county board of developmental disabilities is to pay of the nonfederal share of its Medicaid expenditures.

Withholding of funds owed to the Department

- Permits the Director to withhold funds owed to a county board by the Department if the county board failed to pay any amount owed to the Department by a due date established by the Department.

Innovative pilot projects

- Permits the Director to authorize, in FY 2026 and FY 2027, innovative pilot projects that are likely to assist in promoting the objectives of state law governing the Department and county boards.

Medicaid rates for homemaker/personal care services

- For 12 months, requires the Medicaid rate for each 15 minutes of routine homemaker/personal care services provided to a qualifying enrollee in the Individual Options Medicaid waiver program be 52¢ higher than the rate for services to an enrollee who is not a qualifying enrollee.

Community developmental disabilities trust fund

- Abolishes the community developmental disabilities trust fund.

Supported living

Guardianship and supported living

(R.C. 5123.16 and 5123.1613)

The bill prohibits a guardian of an individual with a developmental disability from providing supported living to that individual either as an independent contractor or as an employee or contractor of a supported living certificate holder unless the guardian and the individual have a relationship by blood, adoption, or marriage. Supported living includes services provided to a person with a developmental disability that increase the person's quality of life such as providing support to live in the person's chosen residence, encouraging community participation, and promoting the person's rights and autonomy.

The bill also applies that prohibition to a supported living certificate holder owned or operated by the guardian, unless the guardian is related by blood, adoption, or marriage.

Proof of residency for applicant for employment or supported living certificate

(R.C. 5123.081 and 5123.169)

The bill eliminates a requirement that an applicant for employment with the Department or a county board of developmental disabilities provide the Department or county board with a notarized statement asserting that the applicant has been a resident of Ohio for the five-year period immediately preceding the date on which a criminal records check is requested, and instead requires only that an applicant provide such a statement to the Department or county board. The bill eliminates an identical requirement for applicants seeking a supported living certificate issued by the Department.

Termination of supported living certificate

(R.C. 5123.168)

The bill requires, rather than permits, the Director of Developmental Disabilities to terminate a supported living certificate if the certificate holder does not bill the Department for supported living services for 24 consecutive months. Under current law, the Director is permitted to issue an adjudication order under the Administrative Procedure Act (R.C. Chapter 119) to terminate a supported living certificate if the provider fails to bill the Department for 12 consecutive months. Additionally, the bill specifies that to terminate a supported living certificate, the Director must send a notice to the certificate holder by certified mail explaining why the certificate is terminated, instead by issuing an adjudication order as under current law.

Health-related activities

Developmental disabilities personnel – medication administration and other health-related activities

(R.C. 5123.42)

The bill makes several changes to the law governing the administration of medications and the performance of health-related activities by developmental disabilities personnel, defined by current law as employees and contract workers who provide specialized services to individuals with disabilities.

The bill specifically authorizes developmental disabilities personnel to administer prescribed epinephrine intranasally for the treatment of anaphylaxis. Personnel may do so without both of the following: (1) nursing delegation and (2) a medication administration certificate issued by the Department. Note that the bill maintains existing law provisions authorizing personnel to administer epinephrine by autoinjector, also without nursing delegation and a certificate. Nursing delegation is when a registered nurse or licensed practical nurse acting at the direction of a registered nurse transfers the performance of a particular nursing activity or task to another person who is not otherwise authorized to perform the activity or task.

The bill further permits developmental disabilities personnel, with nursing delegation, to administer to recipients of early intervention, preschool, and school-age services prescribed medications for the treatment of metabolic glycemic disorders through subcutaneous injections.

The bill replaces statutory references to **vagal nerve stimulators** with references to **vagus nerve stimulators**. It also requires developmental disabilities personnel to successfully complete training courses as well as training specific to the individuals to whom the medication will be administered as a condition of administering topical over-the-counter medications as permitted under continuing law.

Family member authority to administer medications and perform health-related activities

(R.C. 5123.41 and 5121.423 (primary))

The bill specifically authorizes a family member of an individual with a developmental disability to administer medications to, and perform health-related tasks for, the individual. In exercising this authority, the family member is not required to hold a medication administration certificate issued by the Department and may administer the medications without nursing delegation. Note that current law defines family law member to mean a parent, sibling, spouse, son, daughter, grandparent, aunt, uncle, cousin, or guardian of an individual with a developmental disability, if the individual lives with the family member and depends on the family member's supports.

In-home care workers and health care tasks

(R.C. 5123.41 and 5123.47 (primary))

The bill revises the law governing the authority of a family member of an individual with a developmental disability to permit an unlicensed in-home worker to perform health care tasks for the individual. First, it establishes an additional condition on a family member's authority: that the family member is not acting as a paid provider for the individual. It also eliminates the existing law condition that the worker provide care through employment or another arrangement with the family member and is not otherwise employed to provide services to individuals with developmental disabilities.

The bill requires an unlicensed in-home worker to accept the written document in which the family member authorizes the worker to perform health-related tasks before the worker may perform those tasks.

The bill further requires a county board of developmental disabilities to authorize appropriately licensed or certified providers to perform health care tasks for an individual with developmental disabilities, rather than an in-home worker, when the county board determines that the individual's family member, when authorizing the in-home worker's care, acted in a manner inappropriate for the individual's health and safety.

The bill also makes changes to current law definitions pertaining to these provisions. First, it specifies than an **unlicensed in-home care worker** is self-employed and does not employ, either directly or through contract, another person to provide in-home care. In the **health care task** definition, it removes its reference to a task delegated by a health care professional and

eliminates references to the specific tasks, other than medication administration, that are included in the definition.

Service and support administrator training requirements

(R.C. 5126.201)

The bill requires a superintendent of a county board of developmental disabilities to ensure that a conditional status service and support administrator employed by or under contract with the county board complete a web-based training program established by the Department not later than 30 days after being hired. The training program must include all of the following topics:

- Empowering individuals serviced through the development of person-centered individual service plans;
- Coordinating services;
- Enhancing team effectiveness;
- Understanding Medicaid;
- An overview of intermediate care facilities for individuals with intellectual disabilities;
- An overview of Medicaid home and community-based services waivers administered by the Department and county boards, including self-directed services, budget authority, and employer authority;
- Targeted case management; and
- Employment navigation.

Intermediate care facilities for individuals with developmental disabilities (ICFs/IID)

ICF/IID professional workforce development payment

(R.C. 5124.15; Section 261.140)

In 2023, H.B. 33 of the 135th General Assembly established a professional workforce development payment to be included in the Medicaid day payment rate that is provided to each ICF/IID. For FY 2026, the bill specifies that the professional workforce development payment component of the ICF/IID per Medicaid day payment rate is 10.405% (decreased from 13.55% in FY 2024 and 20.81% in FY 2025) of the ICF/IID's desk-reviewed, actual, allowable, per Medicaid day direct care costs from the applicable cost report year.

Nonfederal share of Medicaid expenditures for state-operated ICF/IID services

(R.C. 5123.38)

The bill requires the Director to annually establish a methodology for determining the amount to be collected from a county board of developmental disabilities that is required under

continuing law to pay the estimated nonfederal share of Medicaid expenditures for an individual committed to a state-operated ICF/IID. The bill eliminates law that exempts a county board from responsibility for the estimated nonfederal share of Medicaid expenditures if the county board arranges for the provision of alternative services for the individual within 180 days of the individual being committed to the state-operated ICF/IID. Under continuing law, a county board is not responsible for the nonfederal share of Medicaid expenditures if the Director grants the county board a waiver in an individual's case. The bill clarifies that the waiver may apply to either the full amount or a portion of the estimated nonfederal share of Medicaid expenditures for an individual.

County share of nonfederal Medicaid expenditures

(Section 261.100)

The bill requires the director to establish a methodology to estimate in FY 2026 and FY 2027 the quarterly amount each county board of developmental disabilities is to pay of the nonfederal share of the Medicaid expenditures for which the board is responsible. With certain exceptions, continuing law requires the board to pay this share for waiver services provided to an eligible individual. Each quarter, the Director must submit to the board written notice of the amount for which the board is responsible. The notice must specify when the payment is due.

Withholding of funds owed to the Department

(Section 261.110)

If a county board fails to fully pay any amount owed to the Department by a due date established by the Department, the bill permits the Director to withhold the amount that the county board failed to pay from any amounts due to the county board from the Department.

Innovative pilot projects

(Section 261.120)

For FY 2026 and FY 2027, the bill permits the Director to authorize the continuation or implementation of innovative pilot projects that are likely to assist in promoting the objectives of state law governing the Department and county boards. Under the bill, a pilot project may be implemented in a manner inconsistent with the laws or rules governing the Department and county boards; however, the Director cannot authorize a pilot project to be implemented in a manner that would cause Ohio to be out of compliance with any requirements for a program funded in whole or in part with federal funds. Before authorizing a pilot project, the Director must consult with entities interested in the issue of developmental disabilities, including the Ohio Provider Resource Association, the Ohio Association of County Boards of Developmental Disabilities, the Ohio Health Care Association/Ohio Centers for Intellectual Disabilities, the Values and Faith Alliance, and ARC of Ohio.

Medicaid rates for homemaker/personal care services

(Section 261.130)

The bill requires that the total Medicaid payment rate for each 15 minutes of routine homemaker/personal care services provided to a qualifying enrollee of the Individual Options Medicaid waiver program be 52¢ higher than the rate for services provided to an enrollee who is not a qualifying enrollee. The higher rate is to be paid only for the first 12 months, consecutive or otherwise, that the services are provided beginning July 1, 2025, and ending July 1, 2027. An Individual Options enrollee is a qualified enrollee if all of the following apply:

- The enrollee resided in a developmental center, converted ICF/IID,[49] or public hospital immediately before enrolling in the Individual Options waiver.
- The enrollee did not receive before July 1, 2011, routine homemaker/personal care services from the Medicaid provider that is to receive the higher Medicaid rate.
- The Director has determined that the enrollee's special circumstances (including diagnosis, services needed, or length of stay) warrant paying the higher Medicaid rate.

Community developmental disabilities trust fund

(R.C. 5123.352, repealed)

The bill abolishes the community developmental disabilities trust fund. Under current law, moneys in the fund are used to assist persons with developmental disabilities to remain in the community and avoid institutionalization.[50]

[49] A converted ICF/IID is an ICF/IID, or former ICF/IID, that converted some or all of its beds to providing services under the Individual Options waiver.

[50] See R.C. 5123.0418, not in the bill.

STATE BOARD OF EDUCATION

State Board of Education membership

- Reduces the membership of the State Board of Education from eight members appointed by the Governor and 11 elected members to a total of five members, all appointed by the Governor.

State Board funding

- Abolishes the State Board of Education Licensure Fund.
- Requires the operating expenses of the State Board to be primarily paid from, and the license, certificate, and permit fees it receives to be deposited in, the Occupational Licensing and Regulatory Fund.
- Requires the State Board to establish license, certificate, and permit fee amounts that are sufficient, along with any appropriation made by the General Assembly, to cover all its operating expenses, rather than just the cost of administering its licensure system as under current law.

Ohio Teacher Residency Program

- Eliminates the Resident Educator Summative Assessment (RESA) as a measure of appropriate progression through the Ohio Teacher Residency Program.
- Permits the use of teacher evaluations conducted in accordance with continuing law as a measure of appropriate progression under the program.

Principal Apprenticeship Program

- Requires the State Board of Education to issue a professional administrator license for grades K-12 to individuals who successfully complete the Principal Apprenticeship Program established by the Department of Education and Workforce.

Alternative resident educator license

- Permanently permits an individual to receive an alternative resident educator license in any subject area without limitation by the State Board of Education.

School counselor licensure – construction trade training

- Eliminates law that requires the State Board of Education to develop a mandatory training program on building and construction trades career pathways and requires each licensed school counselor serving grades 7 through 12 to complete four hours of that training every five years.

Ohio Professional Licensing System

- Requires the State Board to consult with the Department of Administrative Services about utilizing the Ohio Professional Licensing System.

State Board of Education membership

(R.C. 3301.01, 3301.02, 3301.03, and 3301.06; conforming changes in R.C. 3.15, 102.02, 3501.02, 3505.03, 3505.04, 3505.33, 3505.38, 3513.04, 3513.052, 3513.10, 3517.092, 3517.10, 3517.102, 3517.103, 3517.104, 3517.108, 3517.109, 3517.11, 3517.13, and 5747.29; R.C. 3513.259, repealed)

The bill reduces the membership of the State Board of Education from eight members appointed by the Governor and 11 elected members to a total of five members, all appointed by the Governor. The bill reduces membership by abolishing the offices of the elected members upon the expiration of their current terms or a vacancy in their offices and by abolishing the offices of the first three appointed members whose terms expire or who vacate their offices.

The bill also eliminates the requirement that the chairs of the House and Senate committees that primarily deal with education serve as nonvoting ex officio members of the board.

The bill also modifies the representation requirements for appointed members to require at least one member to represent each of a rural, suburban, and urban school district, a community school, and a chartered nonpublic school. Under current law, elected members must reside in the territory composing the district for which they are elected and at least four of the appointed members must represent rural school districts. The bill retains law that prohibits board members from holding any other trust or profit or from being an employee or officer of any public or private elementary or secondary school.

The bill changes the criteria for determining whether absences lead to a vacancy in an office from two absences that are declared insufficient by a vote of 12 members to three absences for any reason.

The bill eliminates all requirements regarding the election of State Board members.

State Board funding

(R.C. 3319.51 and 4743.05; conforming in R.C. 3301.071, 3301.074, 3319.088, 3319.29, and 3319.311)

The bill abolishes the State Board of Education Licensure Fund. Instead, it requires the State Board's operating expense to be primarily paid from, and the license, certificate, and permit fees it receives to be deposited into, the Occupational Licensing and Regulatory Fund.

In addition, the bill requires the State Board to establish license, certificate, and permit fee amounts that, along with any appropriations made by the General Assembly, will be sufficient to cover its annual estimated operating expenses, including operating its licensure system and performing any other duty prescribed by law. Under current law, the State Board only must establish fee amounts sufficient to cover the cost of operating the licensure system.

The Occupational Licensing and Regulatory Fund serves as an operating fund for various state occupational licensing and regulatory boards that are primarily supported by license fees, fines, penalties, and other assessments.

Ohio Teacher Residency Program

(R.C. 3319.223; conforming changes in R.C. 3319.111)

The bill eliminates the Resident Educator Summative Assessment (RESA) as a measure of appropriate progression through the Ohio Teacher Residency Program. Instead, the bill expressly permits the use of evaluations under a teacher evaluation system established in accordance with continuing law as a measure of appropriate progression under the program.

The bill also makes conforming changes related to the removal of the RESA, including eliminating: (1) the option for a school district board of education to forego an evaluation of a teacher participating in the program for the year in which the teacher takes at least half the RESA for the first time, (2) the requirement for the Superintendent of Public Instruction to provide participants and mentors access to sample videos of classroom lessons submitted for the RESA, and (3) the requirement for the state Superintendent to provide participants who do not pass the RESA an opportunity to meet with an approved online instructional coach to review the participant's RESA results and discuss improvement strategies and professional development.

Principal Apprenticeship Program

(R.C. 3319.271)

Upon certification from the Department of Education and Workforce that an individual has completed the Principal Apprenticeship Program, the bill requires the State Board of Education to issue that individual a professional administrator license for grades pre-K-12.

The bill requires the Department to establish the Principal Apprenticeship Program to provide pathways for individuals to receive training and development in school leadership and primary and secondary school administration. For more information, see "**Principal Apprenticeship Program**" in the Department's chapter of this analysis.

Alternative resident educator license

(R.C. 3319.263)

H.B. 583 of the 134th General Assembly, effective September 23, 2022, temporarily prohibited the State Board, from July 1, 2023, until July 1, 2028, from limiting the subject areas for which an individual may receive an alternative resident educator license. The bill makes that prohibition permanent and, in effect, permits an individual to receive an alternative resident educator license in any subject area.

School counselor licensure – construction trade training

(R.C. 3319.2213, repealed)

The bill eliminates law that requires:

1. The State Board to enter into an agreement with a construction trade organization, such as ACT Ohio, to develop a mandatory training program on building and construction trades career pathways; and

2. Each licensed school counselor serving students in any of grades 7-12 to complete four hours of that training every five years.

Ohio Professional Licensing System

(Section 207.40)

The bill requires the State Board, either on July 1, 2025, or as soon as possible thereafter, to consult with the Department of Administrative Services on utilizing the Ohio Professional Licensing System. As part of the consultation, the State Board must consider opportunities to reduce the number of license and certification types.

The Ohio Professional Licensing System (often called eLicense Ohio) is an online management system for professional and occupational licenses operated by the Department of Administrative Services. According to the eLicense Ohio website, the Department currently provides services to 23 state licensure boards, including providing a secure platform for online applications, license management, online payment, address management, and notices. The State Board of Education is not listed as one of those participating state licensure boards.

For more information, see Support on the eLicenseOhio website, which is also available at: elicense.ohio.gov.

DEPARTMENT OF EDUCATION AND WORKFORCE

I. School finance

Funding for FY 2026 and FY 2027

- Extends, with changes, the operation of the school financing system established in H.B. 110 of the 134th General Assembly and the payment of temporary transitional aid and the formula transition supplement, but generally prohibits the Department of Education and Workforce from making payments under it for FYs 2026 and 2027 but uses calculations under the system for certain payments.
- Requires the Department to generally calculate and pay temporary foundation funding and a base funding supplement to each school district, STEM school, and community school that did not open for the first time in FY 2026 or FY 2027.
- Requires the Department to pay an enrollment growth supplement in each of FYs 2026 and 2027 to each city, local, or exempted village school district that experienced at least 3% growth in enrolled ADM between specified fiscal years.
- Requires the Department to pay two additional guarantees in FYs 2026 and 2027 to city, local, and exempted village school districts to ensure their state foundation funding, including supplemental targeted assistance otherwise eliminated under the bill, and preschool special education funding do not fall below FY 2025 levels.
- Requires the Department to make payments under the school financing system, and to pay a formula transition supplement and base funding supplement, to each newly opened community school in FYs 2026 and 2027.

Disadvantaged pupil impact aid

- Qualifies a community mental health prevention provider as one of the entities with which a school district, community school, or STEM school may develop its plan for using its DPIA.

Career-technical education associated services funds

- Modifies the purposes for which school districts may use career-technical education associated services funds.

Quality Community and Independent STEM School Support Programs

- Codifies the Quality Community School Support Program and the Quality Independent STEM School Support Program, both of which annually pay qualifying community and STEM schools up to $3,000 for each economically disadvantaged student and up to $2,250 for each student who is not economically disadvantaged.

Facilities funding for community and STEM schools

- Codifies the per-student facilities payment for community schools or STEM schools.

Auxiliary services funding

- Permits a chartered nonpublic school to use auxiliary services funds to provide diagnostic and therapeutic mental health services and to hire retired Ohio peace officers as security officers.

Payment for districts with decreases in utility TPP value

- Requires the Department to make a payment, for FYs 2026 and 2027, to each city, local, exempted village, or joint vocational school district that has at least one power plant within its territory and that experiences a 10% or greater decrease in the taxable value of utility tangible personal property (TPP) and an overall negative change in TPP subject to taxation.

II. State scholarships

Nonchartered Educational Savings Account Program

- Establishes the Nonchartered Educational Savings Account Program to provide eligible students with an educational savings account (ESA) beginning in the 2026-2027 school year.
- Requires the Treasurer of State to administer the program with the assistance of the Department of Education and Workforce.
- Disallows a home school expense income tax credit from being claimed on the basis of expenses paid from ESA proceeds.
- Qualifies a student for an ESA if the student's parent applies to participate in the program and, for the school year for which the ESA is sought if:
  - The student is enrolling in any of grades K-12 in a participating nonchartered nonpublic school; and
  - The student has not received an EdChoice, Pilot Project (Cleveland), Autism, or Jon Peterson Special Needs (JPSN) scholarship.
- Establishes an ESA award amount for a school year as 75% of the traditional EdChoice scholarship amount for the student's grade level for that school year and also prescribes specific, partial scholarship amounts for students with a family income at or above 450% of federal poverty level (FPL).
- Requires the Department of Education and Workforce to use state operating funding to meet the program's ESA financial obligations in a manner similar to how other state scholarship programs are funded under current law.
- Requires the Department to annually compile and report performance data of participating students by February 1.
- Requires the Department to develop a measure of student growth for participating students by July 1, 2026, and annually report data on student growth using that measure.

Autism and Jon Peterson Special Needs scholarships

- Increases the maximum amount of an Autism Scholarship and a JPSN Scholarship from $32,445 to $34,000.
- Increases the categorical amounts for a JPSN Scholarship.
- Qualifies for a scholarship a child who is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and younger than 22 and is still eligible to receive transition services under the child's IEP.
- Permits multiple alternative public providers or registered private providers to be contracted to provide services to implement an IEP or education plan.
- Specifies that intervention services, educational services, academic services, tutoring services, aide services, and other related special education services may be provided virtually.
- Prohibits a qualified special education child who participates in JROTC maintained by the child's resident school district from being considered enrolled in that district for determining eligibility for an Autism or JPSN scholarship
- Clearly states that a child is eligible under the Autism Scholarship if that child is at least 3 years of age and younger than 22.
- Expands eligibility for the JPSN Scholarship to three- and four-year-olds.
- Requires the Department to maintain a list of Autism and JPSN scholarship registered private providers and their locations on its publicly accessible website.

Chartered nonpublic schools and state scholarships

- Requires the Department to post annually for each chartered nonpublic school the school's total enrollment, the number of scholarship students enrolled in the school, what kind of school each scholarship student attended in the prior school year, and the amount of state support the school received.
- Requires the Department to post annually on its website the number of students who receive EdChoice Expansion and, as data is available, traditional EdChoice and Cleveland scholarships disaggregated by family income.
- Requires the Department to establish a system to permit an individual to compare the performance data of scholarship students enrolled in a chartered nonpublic school with the performance data of similar students enrolled in nearby schools.
- Requires the Department to require each EdChoice scholarship applicant to include the school, and if applicable the district, in which the applicant was enrolled for the school year prior to the one for which the applicant is submitting an application.

III. Career-technical education and workforce development

Waivers for middle school career-technical education

- Requires all school districts to provide career-technical education to 7th and 8th graders on and after July 1, 2026, by eliminating waivers from that obligation.

Approval deadlines for career-technical programs

- Eliminates the application and approval deadlines for new career-technical education programs.

Career-Technical Assurance Guides (CTAG)

- Adds CTAG-aligned courses to the types of programs that may be considered an "advanced standing program" at school districts, other public schools, and chartered nonpublic schools.
- Requires each district and school that has students enrolled in CTAG-aligned career-technical courses to implement a policy for grading and calculating class standings for those courses in a manner that is equivalent to the district or school's policy for its other advanced standing programs.

Work-based learning hours

- Specifies that, to meet the state's high school graduation requirements, a student's completion of 250 hours of work-based learning experience is a "foundational" option to demonstrate competency, rather than a "supporting" one as under current law.

IV. Assessments, instruction, and tutoring

Kindergarten readiness assessment

- Eliminates the kindergarten readiness assessment.

State assessments as public records

- Reduces from 40% to 20% the percentage of state assessment questions that must be made a public record.

College-Level Examination Program (CLEP)

- Adds the College-Level Examination Program (CLEP) to the list of programs that may be considered an advanced standing program at public and chartered nonpublic schools.
- Adds passing scores on the CLEP examinations as a demonstration of post-secondary readiness on the state report card.
- Adds a passing score on the CLEP examinations as a qualification for the college-ready, citizenship, science, and technology diploma seals.

Core curriculum and evidence-based reading programs

- Narrows the requirement for a public school to use core curriculum and instructional materials from the Department's approved list by applying it only to curricula and materials for students in grades pre-K-5.
- Expressly requires a public school to use evidence-based reading intervention programs from the Department's approved list for students in grades pre-K-12.

Approved evidence-based training programs

- Requires the Department to maintain a *universal* list of approved evidence-based training programs for instruction in suicide awareness and prevention and violence prevention.
- Qualifies a program using the success sequence curriculum provided by Ohio Adolescent Health Centers as an approved evidence-based training program for instruction on mental health promotion, suicide prevention, and health and wellness outcomes and as meeting the minimum requirements to teach risk prevention skills across the required subject areas to youth.

Advanced math learning opportunities

- Requires school districts to provide advanced math learning opportunities to students who achieve an advanced level of skill on either a math achievement assessment or an end-of-course exam.
- Exempts school districts from providing advanced math learning opportunities if the district does not offer any advanced math learning opportunities in the grade level in which the student is enrolled for the next school year.
- Requires districts to notify the parent or guardian of a student who qualifies for advanced math learning opportunities and permits a parent or guardian to opt out their student from those opportunities.

Provision of high-dosage tutoring

- Permits a public school to incorporate high-dosage tutoring into a student's regular instruction time for each student on reading improvement and monitoring plans.
- Requires a locally approved high-dosage tutoring program to align with best practices identified by the Department.

High-quality tutoring program list

- Requires the Department's request for qualifications for high-quality tutoring programs to include a request for program efficacy data or other evidence of program effectiveness for participating students.
- Requires the Department to remove from the high-quality tutoring program list any program that is not aligned to the science of reading or uses a three-cueing approach.

- Requires the Department to, at least every three years, update and provide an opportunity for entities to submit their qualifications for consideration to be included on the list posted to the Department's website.

Financial literacy instruction exemptions

- Permits a public or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who, during high school, participates in a financial literacy program offered through the student branch of a credit union or by a bank.
- By July 1, 2026, requires the Department to develop and post to its website a model policy and guidelines for schools to use in developing a policy.

V. Educators

Use of seniority in teacher assignments

- Prohibits the use of seniority or continuing contract status as the primary factor when assigning teachers and instead requires assignment on the basis of the best interests of students.
- Specifies that the provisions pertaining to teacher assignment prevail over conflicting provisions of collective bargaining agreements entered into after the bill's effective date.

Principal Apprenticeship Program

- Requires the Department to establish a Principal Apprenticeship Program to provide pathways for qualifying individuals to receive school leadership and administration training and development, and an optional master's degree.
- Requires the State Board of Education to issue a professional administrator license for grades pre-K-12 to individuals who successfully complete the program.

Science of Reading professional development

- Requires the Department to maintain an introductory Science of Reading training course and develop a competency-based training course that updates and reinforces educators' knowledge in the Science of Reading.
- Requires each teacher, administrator, or speech-language pathologist employed by a public school to complete the Department's Science of Reading training by a specified date dependent upon when the individual was hired, and every five years thereafter.

Computer science educator licensure

- Makes permanent an exception set to expire after the 2024-2025 school year that permits a licensed teacher who completes specified professional development to teach computer science without otherwise being licensed in that subject area.

Cap on school district administrative expenses

- Prohibits any school district from expending more than 15% of its annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices.

VI. Community schools

High-performing community school definition

- Revises the definition of "high-performing community school" in the law regarding the right of first refusal to purchase school district property and the involuntary disposition of school district property.

Dropout prevention and recovery community schools

- Redefines a dropout prevention and recovery community school and requires each community school that primarily serves students enrolled in a dropout prevention and recovery program to comply with that definition by July 1, 2027.
- Requires the Department to assign any separate community school created in compliance with the new definition its own internal retrieval number.

Community school opening assurances

- Reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department.

Multiple facilities

- Permits any community school to be located in multiple facilities in more than one school district under the same contract.

Contracts and comprehensive plans

- Eliminates the requirement that each community school submit a comprehensive plan to its sponsor and instead requires the plan's provisions be included in the contract between the school's sponsor and governing authority.

Classical schools

- Permits a classical school to generally administer state assessments in a paper format.

Community school FTE reporting

- Extends through the 2025-2026 school year the option of certain community schools to report their student enrollment on a full-time equivalent basis based partially on credits earned.

VII. School policies

Absence intervention, truancy, and chronic absenteeism

- Modifies the process school districts, brick-and-mortar community schools, and STEM schools must follow when addressing student absences.
- Aligns the definition of "chronic absenteeism" with federal law.
- Permits grade level promotion of certain truant students enrolled in community schools.
- Eliminates the timeline under which a school district attendance officer must file a complaint and instead bases the filing solely on whether a student is making satisfactory progress in improving attendance.
- Clarifies that certain required notices to parents regarding truancy and consequences that are sent by email or text message are legal notices.
- Beginning in the 2025-2026 school year, requires each school district and other public school to categorize and report to Education Management Information System (EMIS) the causes of student absences.
- Excuses a high school student from school to attend a driver education course.

Student cellphone use

- Requires each public school to adopt a policy prohibiting the use of cellphones by students during instructional hours.

Artificial intelligence policies

- Requires the Department to adopt a model policy by December 31, 2025, on the use of artificial intelligence in schools.
- Requires public schools to adopt a policy by July 1, 2026, on the use of artificial intelligence.

Religious instruction released time policy

- Requires a school district to permit students to attend a released time course in religious instruction for at least one period a week.
- Limits student attendance in released time course in religious instruction to no more than two periods per week for elementary school students and two units of high school credit per week for high school students.

VIII. Transportation

Student transportation using mass transit

- Permits a community school to purchase and certify to the Department the cost of providing mass transit system passes to its students in grades 9-12 if the school district

responsible for transporting those students elects to pay for the cost of the passes instead of directly transporting them for a school year.

- Requires the Department to deduct from a school district's state foundation payment the cost of the passes and pay it to the community school.
- Requires each city, local, exempted village, or municipal school district in the eight most populous Ohio counties that uses the mass transit system to transport students to and from a community or chartered nonpublic school to ensure that any transfer between routes does not occur at the central transfer hub for the mass transit system.

Student transportation workgroup

- Requires the Director of Education and Workforce to establish a workgroup on student transportation to monitor and review annually the student transportation system and develop recommendations for changes that better meet transportation needs.
- Requires the workgroup to submit a report on its findings to the Governor and General Assembly by June 30, 2026, and annually thereafter.

Pupil Transportation Pilot Program

- Extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 and 2026-2027 school years.

Rural Transportation Grant Program

- Creates the Rural Transportation Grant Program and requires the Department to award transportation grants to rural dropout prevention and recovery community schools where more than 75% of its students are economically disadvantaged.

IX. Other

Disposition of school district property

- Adds chartered nonpublic schools to the list of schools (1) that qualify for a right of first refusal to purchase real property that a school district is seeking to sell and (2) to which a district must offer to lease or sell its unused school facilities under the involuntary disposition law.
- Requires a school district, prior to demolishing a building worth more than $10,000, to generally offer that building to qualifying schools located in the district under the right of first refusal law and then, if none of those schools indicate an interest, offer it for sale at a public auction.
- Requires a school district board to accept the highest bid at a public auction of property it plans to sell or demolish.
- Requires, rather than permits, a school district to offer an unused school facility for sale at a public auction if no school offers to purchase or lease the facility under the involuntary disposition law.

- Exempts an unused school facility from the involuntary disposition law if it is located on, or adjacent to, a tract or parcel of land where other school district facilities that are used for educational instruction are located.
- Requires a community, STEM, college-preparatory boarding, or chartered nonpublic school that sells property it purchased from a school district through the involuntary disposition law or the right of first refusal law to pay to the district any profit the school earns from the resale of that property.

State report card – Early Literacy component

- Revises the performance measure regarding the percentage of students promoted to the fourth grade under the Third Grade Reading Guarantee so that it is based on students who attain a promotion score on the third grade English Language Arts assessment or an alternative assessment, rather than any student who attains a promotion score or otherwise qualifies for an exemption from retention.

Competency-based adult education programs

- Eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program, but permits an individual enrolled in either of them to complete that program by June 30, 2027.
- Permits an eligible school district, community school, community college, state community college, technical college, university branch campus, or Ohio technical center ("provider") to establish a competency-based educational program for eligible individuals to earn a high school diploma.
- Qualifies individuals who are at least 18 years old, have officially withdrawn from school, and who have not received a high school diploma or certificate of high school equivalence to participate in a competency-based educational program.
- Permits a provider to generally enroll an eligible individual in a program for three school years and request extension from the Department for an individual due to a hardship that necessitates additional time to meet the diploma requirements.
- Requires a provider to contact individuals who receive a diploma under a program to collect data on the individual's career and educational outcomes and report that data to the Department.
- Requires the Department to award a high school diploma to enrolled individuals who demonstrate competency through specified activities or earn specified course credits.
- Requires the Department to pay each provider up to $7,500 per school year for each enrolled individual based on the extent of the individual's successful completion of the program's diploma requirements.

Aim Higher Pilot Program

- Establishes the Aim Higher Pilot Program for FY 2026 to provide additional funding to JVSDs that operate a dropout prevention and recovery (DOPR) program.
- Requires the Department to pay to each JVSD that opts to participate in the program, $500 for each credit earned by students and $2,500 for each completed industry-recognized credential, or group of credentials, that meet the criteria to help the student qualify for a high school diploma.
- Requires the Department to pay a one-time grant of $250,000 to each participating JVSD with a DOPR program in its first three years of operation and that requests it.

Payment of tuition for students in residential treatment facilities

- Assigns responsibility for payment of tuition for a child that is parentally placed in a residential treatment facility in consultation with and upon recommendation of the OhioRISE Program to the school district in which the child's parent resides.
- Exempts a school district from the responsibility to pay tuition for a child who has been awarded a state scholarship.

School district operational revenue and expenditure report

- Reduces from five to three years the duration for operational revenue and expenditure forecasts school districts are required to develop.
- Requires the Auditor of State or the Department to examine the projections to determine whether a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period as under current law.

I. School finance

Funding for FY 2026 and FY 2027

(R.C. 3314.08, 3317.011, 3317.012, 3317.014, 3317.016, 3317.017, 3317.018, 3317.019, 3317.0110, 3317.02, 3317.021, 3317.022, 3317.024, 3317.026, 3317.0212, 3317.0213, 3317.0215, 3317.0217, 3317.0218 (repealed), 3317.051, 3317.11, 3317.16, 3317.162, 3317.165, 3317.20, 3317.201, 3317.25, 3317.31, and 3326.44; Sections 265.190, 265.220, 265.230, 265.235, and 265.450)

Overview

The bill extends, with changes, the operation of the current school financing system to FY 2026 and FY 2027, but generally prohibits the Department of Education and Workforce from making payments under it in either of those fiscal years. Instead, the bill generally requires the Department to calculate and pay each school district, community school, and STEM school an amount of temporary foundation funding that factors in the district's or school's FY 2025 state foundation aid and the state foundation aid calculated for a district or school under the school

financing system, as modified by the bill, in the year for which the payment is made. The bill also establishes a base funding supplement for each district or school. Furthermore, it provides an enrollment growth supplement and two additional guarantee payments to city, local, and exempted village school districts – one to ensure a district does not receive less state foundation aid, including supplemental targeted assistance, than it received in FY 2025 and the other to ensure the district does not receive less preschool special education funding than it received in FY 2025. The bill also makes changes to the calculation of the state share percentage for special education transportation.

Finally, the bill does establish one exception to the prohibition against making payments under the current school financing system. It expressly requires the Department to use that system, as modified by the bill, to make payments in FY 2026 and FY 2027 to each community school that opens for the first time in either of those fiscal years. Newly opened community schools also receive payments under the formula transition supplement and the base funding supplement. Otherwise, the bill's uncodified school funding provisions for FY 2026 and FY 2027 largely do not apply to newly opened community schools.

State foundation aid

The bill uses a district or school's state foundation aid for FYs 2025, 2026, and 2027 to calculate and make payments for the latter two fiscal years. State foundation aid for a fiscal year is the sum of several payments included in the school financing system. The table below indicates the payments that are included.

State foundation aid		
City, local, exempted village school districts	**Joint vocational school districts**	**Community and STEM schools**
▪ State core foundation funding ▪ Temporary transitional aid ▪ Formula transition supplement ▪ Transportation aid ▪ Temporary transitional transportation aid	▪ State core foundation funding ▪ Temporary transitional aid ▪ Formula transition supplement	▪ State core foundation funding ▪ Formula transition supplement ▪ If a community school that provides transportation services, transportation aid

State core foundation funding is the sum of a district or school's base cost payment and categorical payments (for example, disadvantaged pupil impact aid, career-technical education funds, special education funds, etc.). For city, local, and exempted village school districts, supplemental targeted assistance is excluded from their state foundation aid. The community school equity supplement paid to community schools in FY 2025 is included in a community

school's state foundation aid for that fiscal year, and the equity supplement is included in each community and STEM school's state core foundation funding for FYs 2026 and 2027 due to changes to the school financing system (see "**School financing system calculations**" below).

Temporary foundation funding

Under the bill, the Department must pay an amount of temporary foundation funding to each school district, STEM school, and community school that is not a newly opened community school in each of FYs 2026 and 2027. The amount of the temporary foundation funding for a fiscal year must equal the sum of the district's or school's state foundation aid for FY 2025 and an amount equal to 50% of the difference, if positive, between the district's or school's state foundation aid for the fiscal year minus the district's or school's state foundation aid for FY 2025. The table below includes two hypothetical examples for how temporary foundation funding for FY 2026 will be calculated for two school districts, one of which has a positive difference between the state foundation aids for FY 2026 and FY 2025 and the other of which does not. While the examples are for a school district for FY 2026, the calculation is also applicable for community and STEM schools and funding calculated for FY 2027.

Temporary foundation funding calculation for FY 2026		
	School district A	**School district B**
FY 2025 state foundation aid	$2.0 million	$10.0 million
FY 2026 state foundation aid	$2.8 million	$9.5 million
Difference	$0.8 million	-$0.5 million
Calculation	$2.0 million + ($0.8 million X 50%)	$10.0 million + ($0.0 X 50%)
Total temporary foundation funding	$2.4 million	$10.0 million

FY 2025 guarantees

The bill establishes two additional guarantees for city, local, and exempted village school districts in each of FYs 2026 and 2027.

Under the first, the Department must make an additional payment to a school district that factors in any supplemental targeted assistance the district received in FY 2025. Supplemental targeted assistance is a payment provided to 36 primarily lower wealth urban districts that appear wealthier under the current school financing system because of changes in

how it counts students relative to the previous financing system. A district is eligible if (1) its enrolled ADM for FY 2019 was less than 88% of its total residential ADM that year as counted in prior law, and (2) its targeted assistance wealth index in FY 2019 met a specified threshold.

More specifically, the Department must make the additional payment to a district if the difference between the sum of the district's state foundation aid and supplemental targeted assistance for FY 2025, minus the district's temporary foundation funding for the fiscal year for which the payment is, made is a positive amount. The Department must pay the district an amount equal to that positive amount. The table below provides three hypothetical examples of how this payment will be calculated for FY 2026. The calculation is the same for FY 2027.

FY 2025 supplemental targeted assistance guarantee calculation			
	School district A	**School district B**	**School district C**
FY 2025 state foundation aid	$2.0 million	$10.0 million	$30.0 million
FY 2025 supplemental targeted assistance	$0.0	$0.5 million	$2.8 million
FY 2026 temporary foundation funding	$2.4 million	$10.0 million	$33.0 million
Calculation	($2.0 million + $0.0) - $2.4 million	($10 million + $0.5 million) - $10 million	($30.0 million + $2.8 million) - $33.0 million
Difference	-$0.4 million	$0.5 million	-$0.2 million
Total payment amount	$0.0	$0.5 million	$0.0

Under the second guarantee, the Department must make a payment to a school district, in FY 2026 or FY 2027, if necessary to ensure the district does not receive less preschool special education funding than it received in FY 2025.

Enrollment growth supplement

The bill establishes an enrollment growth supplement for city, local, and exempted village school districts who experienced at least a 3% growth in its enrolled ADM between specified fiscal years. For the FY 2026 supplement, a district must have reached that threshold between FY 2022 and FY 2025. For the FY 2027 supplement, a district must have reached that threshold between FY 2023 and FY 2026. The amount of the supplement is equal to the product the district's enrolled ADM for the fiscal year for which the supplement is calculated multiplied by a specific per pupil amount based on the fiscal year and the growth percentage between the two specified fiscal years. The table below indicates the per student amount.

Enrollment growth supplement per student amount		
District growth percentage	**FY 2026 amount**	**FY 2027 amount**
≥ 3%, but ≤ 5%	$150	$200
> 5%, but ≤ 10%	$100	$150
> 10%	$50	$100

The table below provides three hypothetical examples of how the Department must determine whether to pay an enrollment growth supplement and, if so, how the supplement is calculated. The calculation is for FY 2026, but it will be calculated similarly for FY 2027.

Enrollment growth supplement examples			
	School district A	**School district B**	**School district C**
Enrollment change percentage between specified fiscal years	3.1%	1.4%	11.0%
Calculate enrollment growth supplement?	Yes	No	Yes
Enrolled ADM for the fiscal year	1,001	N/A	20,583
Per pupil amount for the fiscal year	$150	N/A	$50
Calculation	1,001 X $150	N/A	20,583 X $50
Total payment amount	$150,150	N/A	$1,029,150

Base funding supplement

The bill requires the Department, in each of FYs 2026 and 2027, to pay a base funding supplement to each school district, community school (including each newly opened community school), and STEM school. The supplement is calculated on a per student basis, with the district or school receiving $20 per student in FY 2026 and $30 per student in FY 2027.

School financing system calculations

While the bill generally prohibits the Department from making payments under the school financing system for FYs 2026 and 2027. However, calculations under the system are still used to determine certain payments for districts. To that end, the bill does make several changes to how payments are calculated under the system. For each school district, STEM school, and community school that is not a newly opened community school, those calculations are used in determining the amount of temporary foundation funding a district or school receives in those fiscal years. Newly opened community schools have their funding calculated under the system with the changes.

The bill makes the following changes to the school financing system:

1. Increases the general phase-in and disadvantaged pupil impact aid (DPIA) phase-in percentages from 66.67% in FY 2025 to 83.33% in FY 2026 and 100% in FY 2027;

2. Increases the minimum state share percentage for routine student transportation from 41.67% in FY 2025 to 45.83% in FY 2026 and 50% in FY 2027;

3. Eliminates gifted professional development funding for school districts;

4. Eliminates the payment of career awareness and exploration funds for each school district, community school, and STEM school;

5. Eliminates the payment of supplemental targeted assistance to city, local, and exempted village school districts;

6. Extends the payment of DPIA to internet- or computer-based community schools, but requires the Department to use a base per-pupil amount of $211, rather than $422 as otherwise required under the bill;

7. Requires, when calculating DPIA for a community school that is a classical school (see "**Classical schools**" below), that the percentage of economically disadvantaged students used to calculate the school's economically disadvantaged index equal the average of all brick-and-mortar community schools for the fiscal year;

8. Requires a district's building leadership support in the base cost calculation to be calculated using the number of school buildings in the district for the preceding fiscal year;

9. Requires the base cost and state share percentage for joint vocational school districts to be calculated in a similar manner as city, local, and exempted village school districts;

10. Requires the use data from the previous fiscal year to establish the target number of qualifying riders per bus for each city, local, and exempted village school district;

11. Requires the Tax Commissioner to certify the median federal adjusted gross income of a district's residents for use in making computations for the district, instead of the total federal adjusted gross income of residents as under current law;

12. Codifies and incorporates into the system the $650 per student equity supplement for community schools that are not internet- or computer-based community schools and extends that payment to STEM schools; and

13. Extends the uncodified requirement that the academic co-curricular activities, supplies and academic content, athletic co-curricular activities, and building operations cost components of the base cost calculation for city, local, and exempted village school districts be based on the sum of the enrolled ADM of every district that *reported* data, rather than on *every* district as otherwise required under continuing law.

In addition, the bill extends to FYs 2026 and 2027 the calculation of guarantee payments based on prior year funding bases. Those calculations are also factored into the calculation of temporary foundation funding. The extended guarantees include:

1. The calculation of temporary transitional aid and temporary transitional transportation aid using the following:

a. For FY 2026, 95% of the FY 2020 funding base;

b. For FY 2027, 90% of the FY 2020 funding base.

2. The calculation of a formula transition supplement using the following:

a. For FY 2026, 95% of the FY 2021 funding base;

b. For FY 2027, 90% of the FY 2021 funding base.

Spending requirements for FYs 2026 and 2027

Under continuing law, categorical payments to each school district, community school, or STEM school under the school financing system are often accompanied by spending requirements on how those funds are used. For example, special education funds must be used to provide special education and related services to students with disabilities. Similarly, the student wellness and success component of the base cost payment of each district or school has requirements regarding how those funds are used. Those spending requirements would not automatically apply to the temporary foundation funding, guarantees, and supplements received under the bill by each school district, STEM school, and community school that is not a newly opened community school.

To address this, the bill requires the Department to determine the amount of each of the following categories of funding it paid to each district or school in FY 2025:

1. Special education funds, excluding the funding withheld under continuing law to support the special education threshold cost pool;

2. Disadvantaged pupil impact aid;

3. English learner funds;

4. Gifted funds, excluding gifted professional development funds;

5. Career-technical education funds;

6. Career-technical associated services funds; and

7. Student wellness and success funds.

The Department must notify each district or school of that determined amount for each category of funding. Each district or school must use its temporary foundation funding to spend at least that amount in each category. Such spending is subject to any restrictions established under continuing law for how that category of funding must be spent.

Special education threshold cost pool

For FYs 2026 and 2027, the bill requires the Department to withhold from the temporary foundation funding for each school district, STEM school, and community school that is not a newly opened community school an amount equal to the amount the Department withheld for each district or school for the special education cost threshold pool for FY 2025. It also requires the Department to withhold 10% of the special education funding calculated for each newly opened community school for those fiscal years, subject to any limitation enacted by the General Assembly, in accordance with continuing law. The bill requires the Department to use the withheld funds to support the special education threshold cost pool.

Continuing law requires the Department each fiscal year to withhold 10% of the special education funding for each district or school, subject to any limitation enacted by the General Assembly, to support the special education threshold cost pool. Funds in that pool are used to partially reimburse districts and schools for the exceptionally high cost of providing services to some individual students with disabilities.

State share for special education transportation

The bill increases the minimum state share percentage for special education transportation from 41.67% in FY 2025 to 43.75% in FY 2026 and 45.83% in FY 2027.

Under continuing law, each school year the Department must reimburse city, local, and exempted village school districts, educational service centers (ESCs), and county boards of developmental disabilities for a portion of the actual costs incurred in transporting students with disabilities attending a special education program in the prior school year. For a district or ESC, the costs are limited to those incurred for students with disabilities who cannot be transported by regular school bus during routine student transportation. For a district, the amount of the reimbursement is equal to the costs incurred multiplied by the greater of the district's state share percentage or the minimum state share percentage. For an ESC or county board, the amount is the costs incurred multiplied by the minimum state share percentage.

Deductions

For FYs 2026 and 2027, the bill requires the Department, when required by law to deduct or withhold funds from state payments to a school district, community school, or STEM school, to deduct those funds from the district's or school's temporary foundation funding, guarantee payments, or supplements established under the bill.

In several instances, continuing law requires the Department to deduct or withhold state funding from a district or school. For example, the Department must deduct the costs associated with a public school student's participation in the College Credit Plus Program from the state funding for the district or school in which the student is enrolled.

State share percentages and statewide average base cost per pupil

Continuing law requires several payments and calculations outside of the school financing system to factor in the statewide average base cost per pupil and a city, local, or exempted village school district's state share percentage. For those purposes, the bill requires the use of the FY 2024 state average base cost per pupil and requires the Department to calculate each district's state share percentage in each of FYs 2026 and 2027.

Background

For background information on the current school financing system, see:

1. The LSC Final Analysis for H.B. 110 of the 134th General Assembly (PDF), which enacted the system;

2. The LSC Final Analysis for H.B. 583 of the 134th General Assembly (PDF), which made a number of corrective and technical changes to it; and

3. The LSC Final Analysis for H.B. 33 of the 135th General Assembly (PDF), which extended the system to the FY 2025-FY 2026 biennium.[51]

Disadvantaged pupil impact aid

(R.C. 3317.25)

The bill adds community mental health prevention providers to the list of entities with which a school district, community school, or STEM school may partner in developing its plan to use its disadvantaged pupil impact aid (DPIA).

Career-technical education associated services funds

(R.C. 3317.014)

Under continuing law, school districts must use career-technical education associated services funds for purposes approved by the Department. The bill specifically identifies each of the following purposes the Department may approve for the use of those funds:

- Engaging and collaborating with education and workforce stakeholders in the service area;
- Developing and maintaining a comprehensive plan to increase career-focused education activities;
- Ensuring that plans are informed by quality data and using data to expand access to career-focused activities for all students;
- Planning and allocating resources for the growth, sustainability, and enhancement of career-focused activities in the long term;

[51] All final analyses are available on the General Assembly's website: legislature.ohio.gov.

- Establishing continuous improvement and program approval processes.

Quality Community and Independent STEM School Support Programs

(R.C. 3317.27, 3317.28, and 3317.29)

The bill codifies and revises the Quality Community School Support Program and Quality Independent STEM School Support Program. Under the programs, the Department must designate community and STEM schools as "Schools of Quality" by December 31 of each fiscal year. The Department must pay each community school and STEM school that is designated as a "School of Quality" up to $3,000 per fiscal year for each student identified as economically disadvantaged and up to $2,250 per fiscal year for each student who is not identified as economically disadvantaged. The Department must make periodic payments to each designated school beginning in January of that fiscal year.

"Community School of Quality" designation

Under the bill, to be a "Community School of Quality," the community school must meet at least one of the following sets of conditions:

1. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school received a higher performance index score than the school district in which it is located on the two most recent report cards issued;

c. The school either:

i. Received a performance rating of four stars or higher for the Progress component or a performance rating of three stars or higher for the Achievement component on its most recent report card; or

ii. Is a school where a majority of its students are either enrolled in a dropout prevention and recovery program operated by the school or are children with disabilities receiving special education and related services, and the school did not receive a rating for the Progress component on the most recent report card.

2. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school is either:

i. In its first year of operation; or

ii. Opened as a kindergarten school, has added one grade per year, and has been in operation for less than four school years;

c. The school is replicating an operational and instructional model used by a community school that qualifies as a Community School of Quality under the first set of conditions; and

d. If the school has an operator, its operator received a rating of three stars or better on its most recent performance report.

3. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school satisfies either of the following:

i. The school contracts with an operator that operates schools in other states and meets at least one of the following:

ii. The operator has operated a school that received a grant funded through the federal Charter School Program within the five years prior to the date of application or receiving funding from the Charter School Growth Fund;

iii. The operator meets all of the following:

- One of the operator's schools in another state performed better than the school district in which the school is located;

- At least 50% of the total number of students enrolled in all of the operator's schools are economically disadvantaged;

- The operator is in good standing in all states where it operates schools; and

- The operator does not have any financial viability issues that would prevent it from effectively operating a community school in Ohio.

iv. The school is replicating an operational and instructional model through an agreement with a college or university used by a community school or its equivalent in another state that performed better than the school district in which it is located.

c. The school is in its first year of operation or if replicating an operational and instructional model through an agreement with a college or university as described directly above, meets either of the following conditions:

i. The school opened on July 1, 2022, and has not previously been designated as a community school of quality, in which case the first payment must be made on or before January 31, 2024, and be calculated based on the adjusted full-time equivalent number of students enrolled in the school for FY 2024; or

ii. The school opened on or after July 1, 2019, and has not previously been designated as a community school of quality, in which case the first payment must be made within 30 days of the bill's effective date and be calculated on the adjusted full-time equivalent number of students enrolled in the school for the fiscal year for which the payment is being made.

4. The school is a dropout prevention and recovery community school that meets all of the following criteria:

a. The school's sponsor was rated "exemplary" or "effective" on the sponsor's most recent evaluation;

b. The school received an "exceeds standards" on its two most recent report cards;

c. The school offers an in-house career-technical education program that leads to a 12-point industry recognized credential;

d. At least 75% of the school's students are placed in any form of employment, military service, apprenticeship, community or other two-year degree program, or state institution of higher education after graduation; and

e. The school is not an internet- or computer-based community school.

A school that is designated as a Community School of Quality maintains that designation for the two fiscal years following the fiscal year in which it is designated. Schools that are designated as Community Schools of Quality may renew their designation each year, which extends the designation for the two fiscal years following the renewal. Furthermore, a school that was designated as a Community School of Quality for the first time for the 2022-2023 school year maintains that designation through the 2027-2028 school year and may renew its designation each year after that year.

Merged community schools

The bill specifically qualifies for the program the surviving community school of a merger that takes place on or after June 30, 2022, provided it otherwise qualifies as a Community School of Quality under one of the sets of criteria described above. Payment for these schools is calculated using the adjusted full-time equivalent number of students enrolled in the school for the fiscal year as of the date the payment is made, as reported by the surviving community school, regardless of whether those students were previously enrolled in a community school that was dissolved as part of the merger.

Finally, the bill qualifies a school dissolved under the merger that otherwise qualified for the program to receive and retain funds received under the program before the bill's effective date.

Independent STEM schools

A STEM school is an "Independent STEM School of Quality" if it:

1. Operates autonomously;

2. Does not have a STEM school equivalent designation;

3. Is not governed by a school district;

4. Is not a community school;

5. Cannot levy taxes or issue tax-secured bonds;

6. Satisfies continuing law requirements for STEM schools; and

7. Satisfies the requirements described in the Quality Model for STEM and STEAM Schools established by the Department.

Like community schools, a STEM school that is designated as an Independent STEM School of Quality maintains that designation for the two fiscal years following the fiscal year in which it is designated. STEM schools that were designated as Independent STEM Schools of Quality based on the report cards issued for the 2017-2018 and 2018-2019 school years may renew their designation each year, which extends the designation for the two fiscal years following the renewal.

Facilities funding for community and STEM schools

(R.C. 3317.31)

The bill codifies the law requiring the Department to pay an amount to each community school and STEM school for assistance with the cost associated with facilities. The bill requires the Department to pay $25 each fiscal year for each internet- or computer-based community school (e-school) and $1,500 each fiscal year for each student in all other community schools or STEM schools.

Traditionally, each main appropriations act has provided, in uncodified law, a per-student facilities payment to community schools and STEM schools. Generally, that payment has increased in each biennium for community schools that are not e-schools and STEM schools. Specifically, for community schools that are not e-schools and STEM schools, H.B. 110 of the 134th General Assembly, June 30, 2021, required a payment of $500 per student in each fiscal year and H.B. 33 of the 135th General Assembly, effective July 4, 2023, required a payment of $1,000.

Auxiliary services funding

(R.C. 3317.06)

The bill permits chartered nonpublic schools to use auxiliary services funds to provide diagnostic and therapeutic mental health services to chartered nonpublic school students. It also permits chartered nonpublic schools to hire retired Ohio peace officers as security officers using auxiliary services funds by adding them to the list of individuals whom a chartered nonpublic school may hire for that purpose.

Under continuing law, auxiliary services funds are used to purchase goods and services for students who attend chartered nonpublic schools, such as textbooks, digital texts, workbooks, instructional equipment, library materials, or tutoring and other special services. A chartered nonpublic school may elect to receive these such funds directly from the Department. Otherwise, by default, a chartered nonpublic school receives the funds through the school district in which it is located.[52]

[52] R.C. 3317.024 and 3317.062, neither in the bill.

Payment for districts with decreases in utility TPP value

(Section 265.240)

The bill requires the Department to make a payment, for FYs 2026 and 2027, to each city, local, exempted village, or joint vocational school district that has at least one power plant within its territory and that experiences a 10% or greater decrease in the taxable value of utility tangible personal property (TPP) and an overall negative change in TPP subject to taxation. To qualify for the FY 2026 payment, a district must have experienced this decrease between tax years 2017 and 2025 or tax years 2024 and 2025. To qualify for the FY 2025 payment, a district must have experienced this decrease between tax years 2017 and 2026 or tax years 2025 and 2026.

Eligibility determination

The Tax Commissioner must determine which districts are eligible for this payment no later than May 15, 2026 (for the FY 2026 payment) or May 15, 2027 (for the FY 2027 payment). For each eligible district, the Commissioner must certify the following information to the Department:

1. If the district is eligible for the FY 2026 payment, its total taxable value for tax year 2025 and the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2025; and

2. If the district is eligible for the FY 2027 payment, its total taxable value for tax year 2026 and the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2026; and

3. If the district is eligible for either payment, the taxable value of the utility TPP decrease and the change in taxes charged and payable on the change in taxable value.

Payment amount

The bill requires the Department, for purposes of computing the payment, to replace the three-year average valuations used in computing a district's state education aid for FY 2019 with the district's total taxable value for tax year 2025 (for the FY 2026 payment) or tax year 2026 (for the FY 2027 payment). It then must recompute the state education aid for FY 2019 without applying any funding limitations enacted by the General Assembly.

The amount of a district's payment is the *greater* of 1 or 2 as described below:

1. The lesser of either:

a. The positive difference between the district's state education aid for FY 2019 prior to the recomputation and the district's recomputed state education aid for FY 2019; or

b. The absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2025 (for the FY 2026 payment) or for tax years 2017 and 2026 (for the FY 2027 payment).

2. 0.50 times the absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2023 (for the FY 2026 payment) or for tax years 2017 and 2024 (for the FY 2027 payment).

Payment deadline

The Department must make FY 2026 payments between June 1 and June 30, 2026, and must make FY 2027 payments between June 1 and June 30, 2027.

Codified law payment

The bill prohibits the Department from calculating or making a similar payment prescribed under codified law for FYs 2026 and 2027.[53]

II. State scholarships

Nonchartered educational savings account program

(R.C. 3310.037, 3310.21, 3310.22, 3310.23, 3310.24, 3310.25, 3310.26, 3310.412, 3310.51, 3313.975, 3317.02, 3317.022, 3317.03, and 5747.72)

The bill establishes the Nonchartered Educational Savings Account Program to begin operating in the 2026-2027 school year for eligible students enrolling in participating nonchartered nonpublic schools. The Treasurer of State must administer the program with the assistance of the Department of Education and Workforce. Under the program, the Treasurer of State must establish an education savings account for participating students to purchase educational goods and services, including tuition at participating nonchartered nonpublic schools. The Department must fund those accounts in a manner similar to how other state scholarship programs are funded under current law.

Application for an education savings account (ESA)

The bill requires the Treasurer of State, by February 1, 2026, to develop an application procedure for the program. Under that procedure, the Treasurer must open an application period for a school year on February 1 immediately prior to the start of that year. The application must require a parent to:

1. Provide the student's and parent's names and address;

2. Provide documentation verifying the student's enrollment and attendance at a participating school;

3. Provide the student's participating school's tuition and fee schedule;

4. Affirm the student will take a nationally recognized standardized achievement assessment;

5. If the parent is applying to renew an ESA, provide the student's nationally recognized standardized achievement assessment scores for the prior school year – though the student's school may submit them on behalf of the parent as a matter of convenience;

[53] R.C. 3317.028, not in the bill.

6. Affirm the parent will maintain records and related documentation regarding the educational expenses on which the parent spent funds from the ESA, including any receipts for tuition, fees, textbooks, and curriculum materials;

7. Affirm the parent will not enroll the student in a school district, community school, STEM school, or chartered nonpublic school while the student is participating in the program;

8. Affirm the parent will not use funds in an ESA for any purpose other than approved uses described in statute; and

9. Provide other information determined necessary by the Treasurer.

Beginning with ESAs sought for the 2026-2027 school year, the Treasurer must approve a completed application and establish an ESA for an eligible student, if the student is enrolling in any of grades K through 12 in a participating school and the student has not received an EdChoice, Pilot Program (Cleveland), Autism, or Jon Peterson Special Needs (JPSN) scholarship. The bill also disqualifies a student for whom an ESA is established under the program from receiving those scholarships in the same school year.

The bill further specifies that a student for whom an ESA is established must reapply to have an ESA established for a subsequent school year. The Treasurer must notify parents of students of the renewal process, the deadline for renewal, and that the failure to renew in a timely manner may result in a temporary suspension of access to funds until the ESA is renewed. The Treasurer also must provide support to ensure a smooth transition from school year to school year for renewing parents and students.

To the extent practicable, the Treasurer must establish an ESA prior to the start of the school year for which it is sought if a parent submits an application prior to the start of that year.

ESA amount

The bill establishes an ESA base award amount for a school year as 75% of the traditional EdChoice scholarship amount for the student's grade level for that year. The bill requires the Department of Education and Workforce to determine an ESA award amount for a school year as follows:

1. Any student with a family adjusted gross income at or below 450% of the federal poverty level (FPL) will receive the base amount.

2. Scholarship amounts for students with a family income above 450% FPL are based on a logarithmic function formula that is progressively reduced based on family adjusted gross income, with students with higher family incomes receiving smaller amounts. However, the bill establishes a minimum scholarship amount for an ESA award that is equal to 10% of the formula's base amount.

For purposes of calculating a scholarship amount, the Department must require a student's parents to submit documentation regarding the student's family income. The Department must use the documentation submitted for the first school year a student has an ESA award calculated to calculate for that school year and each subsequent school year, unless a parent requests a recalculation based on updated documentation for a subsequent school year.

The bill requires the Department to determine the form and manner a parent must submit documentation, or a request for recalculation.

Funding of ESAs

The bill requires the Department to use state operating funding to meet the program's financial obligations regarding ESAs in a manner similar to how other state scholarship programs are funded under current law.

Specifically, the bill prescribes a "nonchartered educational savings account unit" that consists of all students for whom an ESA is established for a fiscal year. It requires the Department to compute the sum of all students in the unit multiplied by their ESA amounts. The Department must pay the computed amount using state operating funding and transfer those funds to each student's ESA. The Department must distribute funds in one annual payment. To the extent practicable, the Department must make that payment for an ESA established prior to the school year before the first day of that school year.

Use of ESA funds

The bill requires a student's parent to use funds in an ESA for tuition and fees at a participating school and to use any remaining funds for textbooks, instructional materials, and supplies. A taxpayer may not claim a credit authorized under continuing law for expenses incurred to home school the taxpayer's dependents if the expenses are paid from ESA funds.

The bill states that it does not prohibit the parent of a student for whom an ESA is establish from making payments for the costs of educational goods or services not covered by funds in the ESA. Though, the bill does prohibit a parent from depositing funds in the ESA.

Disbursal of funds

Upon the request of the parent, the Treasurer must disburse funds from a student's ESA by either of the following methods as selected by the parent:

1. The Treasurer must disburse funds directly to an approved vendor who provides educational goods or services to the student; or

2. The Treasurer must disburse funds to reimburse the student's parent for any costs the parent incurred for prescribed educational goods and services (see above) for the student. Prior to reimbursing a parent, the Treasurer must require the parent to provide appropriate documentation, as determined by the Treasurer, that the costs incurred for prescribed goods and services.

The Treasurer must establish a process to solicit and approve vendors who will provide educational goods or services to students. Under that process, a participating school who complies with the bill's requirements must be considered an approved vendor.

The bill requires any refund or other repayment of funds by a participating school or other educational provider to be returned to the ESA. It expressly prohibits repayment from being made directly to the student or the student's parent.

The bill authorizes the Treasurer to conduct random audits to verify parents are using funds in an ESA for the prescribed purposes. If the Treasurer determines a misuse of funds, the Treasurer may take any action the Treasurer determines appropriate, including suspension or termination of a student's participating in the program.

Interaction with home school expense income tax credit

The bill prohibits a taxpayer from claiming a credit authorized under continuing law for expenses incurred to home school the taxpayer's dependents if the expenses are paid from an ESA.

Disposition of remaining ESA funds

Disenrollment midyear

If a student with an ESA established for a particular school year disenrolls from the student's participating school and does not enroll in a different participating school during that school year, the Treasurer must transfer the balance of any funds in the student's ESA, including any prorated refund from a school, to the General Revenue Fund (GRF). The Treasurer must make such transfers on January 1 and July 1 of each year. The Treasurer must certify to the Office of Budget and Management (OBM) the amount of funds returned to the GRF from those scholarship accounts.

Student applies for an ESA in subsequent year

If the parent of a student with an ESA established for a particular school year applies to have an ESA established for the next school year, the Treasurer must, on June 30, transfer to the student's new ESA the balance of any funds in the student's old ESA.

Student does not apply for an ESA in subsequent year

If the parent of a student with an ESA established for a particular school year does not apply for a new account for the next school year, the Treasurer must, on July 1, transfer the balance of any funds in the student's old ESA to the GRF. The Treasurer must certify to OBM the amount of funds returned to the GRF from those accounts.

Participating nonpublic schools

Notification of intent to participate

The bill requires a nonchartered nonpublic school that elects to participate in the program to notify the Treasurer by a deadline established by the Treasurer for each school year it elects to participate.

Requirements for schools

Each participating school must:

1. Maintain records and related documentation regarding the educational expenses on which the school spends the funds it receives under the program, including receipts for tuition, textbooks, and curricula;

2. Maintain a physical location, that does not primarily serve as a residence, in Ohio at which each student has regular and direct contact with teachers;

3. Notify the Treasurer and the Department of any change in the school's name, school director, mailing address, or physical location within 15 days of the change; and

4. Require the parent of a student for whom an ESA is established to endorse the use of funds from a scholarship account by the school or approve the transfer of funds from the scholarship account to the school.

Oversight of school compliance

The bill permits the Treasurer to remove a school from the list of participating nonpublic schools if the Treasurer determines the school has failed to comply with the requirements prescribed for those schools.

The Treasurer also must provide the Department with a list of participating schools. Annually, the Department must do all of the following regarding each participating school:

1. Verify the school has filed with the Department, in accordance with continuing law, a copy of the report certifying to the school's parents that the school meets the minimum education standards for nonchartered nonpublic schools;

2. Request from the board of health of the city or general health district in which the school's physical location is located a copy of any report of any inspection conducted by the board of health of that location;

3. Request from the State Fire Marshal a copy of any report of any fire inspection of the school's physical location; and

4. Prepare and submit to the Treasurer a report regarding, based on that collected information, the school is compliant with the minimum education standards and health, fire, and safety laws.

If the Department's report demonstrates that a school is not compliant, the Treasurer must take any action the Treasurer determines appropriate against the school.

Additionally, the bill authorizes the Treasurer to conduct random audits to verify that participating schools are using funds in accordance with the bill's requirements. If the Treasurer determines a misuse of funds, the Treasurer must take any action the Treasurer determines appropriate, including suspension or termination of a school's participation in the program.

Rights of participating schools

The bill states that, while participating schools must comply with requirements prescribed for them, they are autonomous and not an agent of the state or federal government. As such, it further specifies that:

1. The Treasurer is prohibited from regulating the educational or instructional program of a school;

2. The program does not expand the authority of the Treasurer to impose additional requirements on schools beyond those prescribed under the bill;

3. Schools that elect to participate must be given maximum freedom to provide for the educational needs of their students.

Complaint system

The bill requires the Department to establish a system under which a student, parent, participating school, or any other individual may submit a complaint about an alleged violation of the program's requirements. The Department must investigate each complaint it receives. During the investigation, the Department must provide updates to, and respond to questions from, both the subject of the complaint and the party who submitted the complaint. The Department must complete each investigation promptly.

Upon completion of an investigation, the Department must submit to the party who submitted a complaint, the subject of the complaint, and the Treasurer a report regarding the investigation's findings, including whether the program's requirements were violated. If the Department's report indicates the program's requirements were violated, the Treasurer must determine a resolution to the complaint and require corrective action to be taken, including remediation plans and other potential consequences for the subject of the complaint.

Due process procedures

The bill requires the Treasurer to establish due process procedures for individuals and participating schools who are determined noncompliant with any of the program's requirements. The procedures must provide an individual or school with at least a notice of the noncompliance determination, an opportunity for a hearing regarding it, and an opportunity to appeal it prior to the Treasurer determining a resolution or undertaking any action regarding it.

Aggregation of ESA student assessment scores

The bill requires the Department to compile the assessment scores of students with a scholarship account that are provided to the Treasurer of State and aggregate the scores as follows:

1. By state, including all students with a scholarship account;

2. By school district, including all students with a scholarship account for whom the district is the student's resident district;

3. By nonchartered nonpublic school, including all students with a scholarship account who were enrolled in the school.

The Department must disaggregate the student performance data according to (1) grade level, (2) race and ethnicity, (3) gender, (4) program participation duration, separated by students who have participated for one year or less, more than one year but less than three years, and three or more years, and (5) economically disadvantaged students.

Under the bill, the Department must post the student performance data on its website annually by February 1. The Department cannot include any performance data that is statistically unreliable or that could result in the identification of individual students. For this purpose, the Department cannot report performance data for any group containing less than ten students.

By July 1, 2026, the Department must develop a measure of student growth for students participating in the program. The measure must be used to annually report data on student growth for students in grades 4 through 8 during the school year in which data is reported. The

Department cannot report data for schools with fewer than ten participating students. The Department must make the growth reports available on its publicly accessible website.

The bill requires the Treasurer of State to collect and provide to the Department any data necessary for the Department to comply with the data compilation and reporting requirements.

Autism Scholarship maximum amount

(R.C. 3317.022(A)(12))

The bill increases the maximum scholarship amount a student may receive under the Autism Scholarship to $34,000 for both FY 2026 and FY 2027, and each fiscal year thereafter. Under current law, the maximum amount is $32,445.

The bill maintains the requirement that a student's scholarship amount must equal the lesser of (1) the tuition charged by the student's special education program or (2) the maximum scholarship amount.

Jon Peterson Special Needs Scholarship amount

(R.C. 3317.022(A)(13))

The bill increases the category amounts for a Jon Peterson Special Needs (JPSN) Scholarship as follows:

- Increases the Category 1 amount from $2,395 to $2,510;
- Increases the Category 2 amount from $5,280 to $5,533;
- Increases the Category 3 amount from $11,960 to $12,534;
- Increases the Category 4 amount from $15,787 to $16,545;
- Increases the Category 5 amount from $21,197 to $22,214; and
- Increases the Category 6 amount from $30,469 to $31,932.

The bill also increases the maximum scholarship amount for a JPSN Scholarship to $34,000 for both FY 2026 and FY 2027, and each fiscal year thereafter. Under current law, the maximum amount is $32,445.

The bill maintains the requirement that a student's scholarship must equal the least of (1) the fees charged by the student's alternative public provider or registered private provider, (2) the sum of the base amount and the student's category amount, or (3) the maximum amount.

Autism and Jon Peterson Special Needs scholarship programs

(R.C. 3310.41, 3310.413, 3310.51, 3310.52, 3310.523, 3310.58, and 3310.64)

The bill makes the following changes to the Autism and JPSN scholarship programs:

1. Qualifies a child to whom the following apply:

a. The child is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and less than 22 years of age and received a home education and has not yet received a diploma from the child's parent or guardian;

b. The child is still eligible to receive transition services under the child's IEP; and

c. For the Autism scholarship, the child has an IEP developed that includes services related to autism.

2. Permits multiple alternative public providers or registered private providers to be contracted to provide services to implement an IEP or education plan as the eligible applicant and providers determine are necessary and associated with educating the qualified special education child.

3. Specifies that a qualified special education child is not limited to receiving services from a single provider for any services identified in the IEP, including a single type of service.

4. Specifies that intervention services, educational services, academic services, tutoring services, aide services, and other related special education services may be provided virtually.

5. Permits a teacher or substitute teacher licensed by the State Board of Education to provide virtual services to a qualified special education child.

6. Includes an educational aide or assistant with a valid permit and an instructional assistant with a valid permit in the list of professionals who can provide services under a special education program.

7. For billing purposes, requires services provided by a teacher or substitute teacher licensed by the State Board to be classified as academic services and not aide services and requires the Department of Education and Workforce to use this differentiation to simplify monthly audit procedures.

8. Requires rules adopted by the Department to specify that supervision of a qualified, credentialed provider may be conducted virtually.

Additionally, the bill prohibits a qualified special education child who participates in Junior Reserve Officer Training Corps program (JROTC) maintained by the child's resident school district from being considered enrolled in that district for purposes of determining eligibility for an Autism or JPSN scholarship.

Autism Scholarship Program

For the Autism Scholarship Program, the bill removes the definition of "parent" and instead defines "eligible applicant," which includes all of the following:

1. Either of the natural or adoptive parents of a qualified special education child;

2. The custodian of a qualified special education child when a court has granted custody of the child to an individual other than either of the natural or adoptive parents of the child, or to a government agency;

3. The guardian of a qualified special education child, when a court has appointed a guardian for the child;

4. The grandparent of a qualified special education child;

5. The surrogate parent appointed for a qualified special education child; and

6. A qualified special education child, if the child does not have a custodian or guardian and the child is at least 18 and less than 22 years of age.

As a result, under the bill, in certain cases, a qualified education child may apply for and be awarded scholarships under the law instead of the parent of the child.

Qualified special education child

The bill clearly states that a child is eligible under the Autism Scholarship Program if that child is at least 3 years of age and younger than 22, which is already the case under current law.

Jon Peterson Special Needs scholarship program

The bill expands eligibility for the JPSN Scholarship to three- and four-year-olds.

List of registered private providers

The bill requires the Department of Education and Workforce to maintain a list of Autism and JPSN Scholarship registered private providers and their locations on its publicly accessible website.

Chartered nonpublic schools and state scholarships

(R.C. 3301.165, 3310.15, and 3310.16)

The bill establishes new reporting requirements for the Department of Education and Workforce regarding chartered nonpublic schools and state scholarship programs. Under the bill, a "state scholarship program" is the EdChoice Scholarship Program, the Autism Scholarship Program, JPSN Scholarship Program, or the Cleveland Scholarship Program.[54]

Reporting

Total enrollment, prior school year attendance, and state support

The bill requires the Department to annually post on its publicly accessible website all of the following for each chartered nonpublic school:

1. The school's total enrollment;

2. The number of state scholarship students enrolled in the school, disaggregated by whether, in the prior school year, the students were enrolled in:

a. That school;

b. A different chartered nonpublic school;

c. A nonchartered nonpublic school;

d. A city, local, or exempted village school district;

[54] R.C. 3301.0711(P), not in the bill.

e. A community school;

f. A STEM school; or

g. If the student was not enrolled in a district or school, whether the student was homeschooled or if, in the current school year, the student is enrolling in an Ohio school for the first time.

3. The total amount of state support received by the school through:

a. State scholarship programs;

b. Auxiliary services payments; and

c. Administrative cost reimbursements.

Family adjusted gross income categories

Under the bill, annually the Department must post on its publicly accessible website the number of students who receive an EdChoice Expansion or, as data is available, traditional EdChoice or Cleveland scholarship disaggregated according to the following categories:

1. Students with a family adjusted gross income (AGI) at or below 450% of the federal poverty level (FPL);

2. Students with a family AGI above 450% FPL, but at or below 500% FPL;

3. Students with a family AGI above 500% FPL, but at or below 550% FPL;

4. Students with a family AGI above 550% FPL, but at or below 600% FPL;

5. Students with a family AGI above 600% FPL, but at or below 650% FPL;

6. Students with a family AGI above 650% FPL, but at or below 700% FPL;

7. Students with a family AGI above 700% FPL, but at or below 750% FPL; and

8. Students with a family AGI above 750% FPL.

The bill permits the Department to disaggregate the data according to other categories as the Department determines appropriate. It also requires the Department of Education and Workforce to request from the Department of Taxation any data necessary to compute and post that data.

Under continuing law, tax return information is confidential and cannot be disclosed by an employee of the Department of Taxation or any other individual. However, the Department of Taxation has a general authorization to share information with any state or federal agency when disclosure is necessary to ensure compliance with state or federal law. The receiving agency is prohibited from disclosing any of this shared information, except as otherwise authorized by state or federal law.[55]

[55] R.C. 5703.21, not in the bill.

Student performance data reporting deadline

Current law requires the Department to post student performance data for EdChoice scholarships students on its website and distribute the data to the parents of eligible students by February 1. The bill changes that deadline to September 15.

System to compare student performance data

The bill requires the Department to establish a system where an individual may compare the performance data of students enrolled in a chartered nonpublic school and participating in a state scholarship program with the performance data of similar students enrolled in the district in which the school is located or a community school, STEM school, or other chartered nonpublic school in that district. The Department must make the system available on its publicly accessible website.

In calculating the performance of similar students, the Department must consider age, grade, race and ethnicity, gender, and socioeconomic status.

EdChoice scholarship applications

The bill requires the Department to require each EdChoice scholarship applicant to include the school, and if applicable the school district, in which the applicant is enrolled, or that the student is receiving home education, for the school year prior to the one for which the applicant is submitting an application.

III. Career-technical education and workforce development

Waivers for middle school career-technical education

(R.C. 3313.90)

Beginning July 1, 2026, the bill eliminates waivers from a city, local, or exempted village school district's obligation to provide a career-technical education to seventh and eighth grade students.

Continuing law generally requires each district to provide career-technical education to students in grades 7 through 12. Under current law, however a district board may receive a waiver from the requirement to provide career-techincal education to seventh and eighth grade students by annually adopting a resolution announcing its intent to not offer career-techincal education to those grades for that school year.

Approval deadlines for career-technical education programs

(R.C. 3317.161)

The bill eliminates the application and approval deadlines for a new career-technical education program. The deadlines eliminated under the bill include:

- The March 1 deadline for the lead district of a career-technical planning district to approve or disapprove a school district's, community school's, or STEM school's career-technical education program application;

- The March 15 deadline for a district or school to appeal to the Department the lead district's decision or failure to take action on a career-technical education program application.
- The May 15 deadline for the Department to approve or disapprove a career-technical education program for the next fiscal year.

Because the May 15 deadline no longer applies under the bill, the bill also eliminates the Department's authority to identify circumstances in which it may approve or disapprove a career-technical education program after that former deadline.

Career-Technical Assurance Guides (CTAG)

(R.C. 3313.6013, 3313.6031, 3314.03, 3326.11, and 3328.24)

The bill adds high school courses aligned to the Chancellor of Higher Education's Career-Technical Assurance Guides (CTAG) to the list of programs that may be considered an "advanced standing program" at school districts, other public schools, and chartered nonpublic schools. Under continuing law, each district or school must provide high school students with an opportunity to participate in advanced standing programs. Other advanced standing programs are the College Credit Plus Program (CCP), Advanced Placement (AP) courses, International Baccalaureate (IB) courses, and early college high school programs.

The bill also requires each district or school that has students enrolled in CTAG-aligned courses to implement a policy for grading and calculating class standings for those courses in a manner that is equivalent to the district's or school's policy for CCP, AP, IB, or honors courses.

Background

Continuing law requires the Chancellor to establish criteria, policies, and procedures to permit a student to transfer credit for qualifying career-technical courses to a state institution of higher education from a public secondary or adult career-technical institution or another state institution "without unnecessary duplication or institutional barriers." This credit transfer initiative is known as the Career-Technical Assurance Guide or "CTAG."

Thus, students who complete CTAG-aligned career-technical courses at a public high school, and who meets certain other criteria (normally including earning a proficient score on a related WebXam), are often awarded college credit upon enrollment in a state institution. A chartered nonpublic school student may participate in career-technical programs at public high schools without any financial assessment, charge, or tuition that is not otherwise charged to resident public school students in such programs.[56]

[56] See R.C. 3313.90 and 3333.162, not in the bill.

Work-based learning hours

(R.C. 3313.618)

To qualify for a high school diploma, the bill allows a student to use completion of 250 hours of work-based learning experience as a "foundational" option as part of an alternative demonstration of competency. Under current law, the completion of 250 hours of work-based learning experience is considered a "supporting" option.

Continuing law generally requires a high school student to earn a "competency score" established by the Department on both the Algebra I and English Language Arts II end-of-course exams to qualify for a high school diploma. If a student fails to obtain that score on one or both of those exams and then fails do so again on a retake of them, the student may use an alternative demonstration of competency.

One alternative demonstration of competency is to complete a "foundational" option and either another "foundational" option or a "supporting" option. Both "foundational" and "supporting" options generally align with student outcomes in career-technical education programs.

IV. Assessments, instruction, and tutoring

Kindergarten readiness assessment

(R.C. 5104.52, repealed; conforming changes in R.C. 3301.0714, 3301.0715, and 3302.03)

The bill eliminates the kindergarten readiness assessment and related requirements.

State assessments as public records

(R.C. 3301.0711)

Beginning with state assessments administered in the spring of the 2025-2026 school year, the bill reduces from 40% to 20% the percentage of questions on the assessment used to compute a student's score that must be made a public record. It also eliminates related out-of-date provisions that make questions on state assessments public records.

College-Level Examination Program (CLEP)

(R.C. 3302.03, 3313.6013, and 3313.6114)

The bill adds the College-Level Examination Program (CLEP) as a qualifier or criteria for different programs. Those include:

1. The list of programs that may be considered an "advanced standing program" at public and chartered nonpublic schools. Advanced standing programs are programs that enable students to earn credit toward a degree from a higher education institution while in high school.

2. A passing score as demonstration of post-secondary readiness on the state report card.

3. A passing score as qualification for the college-ready, citizenship, science, and technology diploma seals.

The bill requires that the passing score be determined by the Department of Education and Workforce.

Core curriculum and evidence-based reading programs

(R.C. 3313.6028)

Current law requires each school district, community school, and STEM school to only use core curriculum and instructional materials in English language arts and evidence-based reading intervention programs from a list of high-quality curricula, materials, and programs aligned to the Science of Reading and developed by the Department.

The bill limits that requirement by only requiring the use of a core curriculum and instructional materials from the list for students in grades pre-K through 5. However, it expressly requires each district or school to use evidence-based reading intervention programs from that list for students in grades pre-K through 12.

Approved evidence-based training programs

(R.C. 3301.221)

Continuing law requires the Department of Education and Workforce, in consultation with the Department of Public Safety and the Department of Mental Health and Addiction Services, to maintain a list of approved evidence-based training programs for instruction in suicide awareness and prevention and violence prevention. The bill requires that to be a *universal* list. The bill also qualifies a program using the success sequence curriculum provided by Ohio Adolescent Health Centers as an approved evidence-based training program for instruction on mental health promotion, suicide prevention, and health and wellness outcomes and as meeting the minimum requirements to teach risk prevention skills across the required subject areas to youth.

Advanced math learning opportunities

(R.C. 3313.6032)

The bill requires each school district to provide advanced math learning opportunities to each student who achieves an advanced level of skill on either a math achievement assessment or an end-of-course exam in the following school year. An "advanced level of skill" is the highest level on the range of scores a student may receive on those assessments or exams. If a student takes an advanced math course, the student must take any corresponding required achievement assessment or end-of-course exam for that course.

Under the bill, "advanced learning opportunities in math" or "advanced math course" refers to learning opportunities or a course that provides academic content or rigor that exceeds the standard math curriculum for the student's grade level, as determined by the district.

If a district does not offer any advanced learning opportunities in math for the grade level in which the student is enrolled for the next school year, the bill exempts that district from the requirement to provide advanced learning opportunities.

The bill requires each district to notify the parent or guardian of a student who qualifies for advanced math learning opportunities. The parent or guardian may then submit a written request to opt out their student from the advanced math learning opportunities. If a parent or guardian submits an opt out request, the district is not required to provide that student with advanced math instruction.

Provision of high-dosage tutoring

(R.C. 3313.608)

The bill eliminates the requirement that high-dosage tutoring provided to students on reading improvement and monitoring plans by school districts and other public schools be provided outside of the student's regular instruction time. As a result, the bill expressly permits a district or school to incorporate high-dosage tutoring into a student's regular instruction time.

The bill also requires a locally approved high-dosage tutoring program to align with best practices identified by the Department.

Background

Under the Third-Grade Reading Guarantee, districts and schools must annually assess the reading skills of each student in grades K through 3 and identify students who are reading below their grade level. Each district or school must provide intervention services for each student identified as reading below grade level, including developing a reading improvement and monitoring plan (RIMP) for each student. Each RIMP must include instruction time outside of a student's regular instruction time of at least three days a week, or at least 50 hours over 36 weeks, of high-dosage tutoring provided by a state-approved vendor on the list of high-quality tutoring vendors compiled by the Department or through a locally approved program that aligns with high-dosage tutoring best practices.

High-quality tutoring program list

(R.C. 3301.136)

When compiling the list of high-quality tutoring vendors, continuing law requires the Department to request the qualifications of public and private entities that provide tutoring programs for students. The bill requires those qualifications to include program efficacy data or other evidence of program effectiveness for students who participate in the tutoring programs.

The bill requires the Department to remove immediately from the list any English language arts tutoring program that the Department determines is not aligned to the science of reading or that uses a three-cueing approach.

Every three years after it the initial list is posted, the Department must provide an opportunity for entities to submit their qualifications for consideration to be included in the list and post an updated list of tutoring programs on the Department's website.

Financial literacy instruction exemptions

(R.C. 3313.603)

The bill allows a school district, other public school, or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who participates in a financial literacy program offered through the student branch of a credit union or by a bank during high school. The policy must contain a financial literacy program that meets or exceeds the state standards and model curriculum for financial literacy and entrepreneurship instruction and must address how long the student must participate in the program to qualify for an exemption.

Under the bill, by July 1, 2026, the Department must adopt and post on its website a model policy and guidelines for districts and schools to use in developing a policy.

V. Educators

Use of seniority in teacher assignments

(R.C. 3319.173)

The bill requires each school district superintendent to assign teachers to positions based on the best interests of the district's students. The bill also prohibits the superintendent from using seniority or continuing contract status as the primary factor in assigning, reassigning, or transferring teachers, regardless of whether the assignment, reassignment, or transfer is voluntary on the part of the teacher.

The bill also provides that these new provisions prevail over conflicting provisions of collective bargaining agreements entered into after the bill's effective date. As such, any current collective bargaining agreements that assign teachers based on other factors, including seniority or continuing contract status as a primary factor, are unaffected for the remainder of the agreement's duration.

Under continuing law, except when deciding between teachers who have comparable evaluations, school districts are already prohibited from (1) giving seniority preference to teachers when making reductions in force or (2) rehiring teachers based on seniority.[57]

Principal Apprenticeship Program

(R.C. 3319.271)

The bill requires the Department to establish a Principal Apprenticeship Program, which must provide pathways for individuals to receive training and development in school leadership and primary and secondary school administration. The program must also provide the option for participants to obtain a master's degree.

The bill requires that the program be open to licensed educators who are employed as a teacher in an Ohio public or chartered nonpublic school, as well as to professionals working in

[57] R.C. 3319.17(C), not in the bill.

fields other than education. The Department may give preference to applicants who have multiple years of classroom teaching experience or multiple years of experience in the same professional career field and experience in teaching, training, or supervising others.

The bill requires participants of the program to be mentored by a school principal and complete on-site job training. Upon certification from the Department that the individual has completed the program, the bill requires the State Board of Education to issue the individual a professional administrator license for grades pre-K through 12.

Science of Reading professional development

(R.C. 3319.2310)

Development of training course

The bill requires the Department to maintain an introductory Science of Reading training course for licensed educators and to develop a competency-based training course that updates and reinforces educators' knowledge in the Science of Reading.

Training requirement

The bill requires each teacher, administrator, or speech-language pathologist employed by a school district, community school, STEM school, or college-preparatory boarding school to complete the Department's Science of Reading training as follows:

1. An individual hired as a teacher or administrator prior to July 1, 2025, must complete the training by June 30, 2030, and every five years thereafter;

2. An individual hired as a teacher or administrator on or after July 1, 2025, must complete the training within one year after the date of hire, and every five years thereafter. However, the bill provides an exemption for individuals who either already completed that training or a similar training, as determined by the Department, or completed appropriate coursework in the Science of Reading as part of the individual's educator or licensure preparation program, as verified by the district or school;

3. An individual employed as a school psychologist or speech-language pathologist must complete the training by June 30, 2027, and every five years thereafter.

Professional development

Under continuing law, a district or school must establish a local professional development committee for the purpose of determining if coursework that a teacher proposes to complete meets the requirements set by the State Board of Education rules for licensure renewal.[58] The bill requires those committees to count Science of Reading training towards professional development requirements for educator licensure renewal. Additionally, a committee must permit an individual to apply any hours earned over the minimum required hours of professional development coursework for licensure renewal to the next renewal period for that license.

[58] R.C. 3319.22, not in the bill.

Computer science teacher licensure

(R.C. 3313.6033 (codifying Section 733.61 of H.B. 166 of the 133rd G.A.) and 3319.236)

The bill codifies and makes permanent an exception to the general requirement that an individual be licensed in computer science to teach those courses. Under that exception as amended by the bill, a school district, community school, or STEM school may permit an individual who holds a valid teaching license to teach computer science in any of grades K through 12, if, in the last five years, the individual has completed an approved professional development program that provides computer science content knowledge specific to the course the individual will teach. To continue teaching computer science under this exception, the individual must complete the program every five years in accordance with educator licensure recertification.

The superintendent or principal must approve any professional development program endorsed by the College Board, the organization that creates and administers the national Advanced Placement exams, as appropriate for the course the individual will teach. The individual may not teach a computer science course in a district or school other than the one that employed the individual when the individual completed the professional development program.

An individual who does not satisfy the criteria for that exception may teach a computer science course only if the individual:

1. Holds a valid license in computer science;

2. Has a licensure endorsement in computer technology and a passing score in a computer science content exam; or

3. Has an industry professional teaching license to teach computer science for up to 40 hours per week.

The exception was initially enacted by H.B. 166 of the 133rd General Assembly, and applied only to the 2019-2020 and 2020-2021 school years. Subsequent budget legislation extended the exception through the 2024-2025 school year.[59]

Cap on school district administrative expenses

(R.C. 3315.063)

The bill prohibits any school district board of education from expending more than 15% of its annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices.

[59] H.B. 110 of the 134th General Assembly and H.B. 33 of the 135th General Assembly.

VI. Community schools

High-performing community school definition

(R.C. 3313.413)

The bill revises the definition of "high-performing community school" for the purposes of the law regarding the right of first refusal to purchase school district property and the involuntary disposition of school district property. Under the bill, a community school is high performing if it meets at least one of the following sets of conditions:

1. The community school:

a. Received a higher performance index score than the school district in which it is located on the two most recently issued state report cards; and

b. Either:

i. Received a performance rating of four stars or higher for the Progress component on its most recent report card; or

ii Is a dropout prevention and recovery community school and did not receive a rating for the Progress component on the most recent report card.

2. The community school serves only grades kindergarten through three and received a performance rating of four stars or higher for the Early Literacy component on the most recent state report card;

3. The community school has not commenced operations or has been in operation for less than one school year and:

a. The school is replicating an operational and instructional model used by another high-performing community school; and

b. The school either:

i. Has an operator that received an overall rating of three stars or higher, or a "C" or higher, on its most recent performance report; or

ii. Does not have an operator and is sponsored by a sponsor that was rated "exemplary" or "effective" on its most recent evaluation.

Under current law, a "high-performing community school" is a community school that meets one of the following:

1. The school has received:

a. A performance rating of three stars or higher for the Achievement component on the state report card or has increased its performance index score in each of the three previous years of operation; and

b. A performance rating of four stars or higher for progress on its most recent state report card.

2. Serves only grades K through three and has received either a performance rating of four stars or higher for the Early Literacy component on its most recent state report card; or

3. Primarily serves students enrolled in a dropout prevention and recovery program and has received a rating of "exceeds standards" on its most recent state report card.

Dropout prevention and recovery community schools

(R.C. 3314.02, 3314.362, and 3314.383; conforming changes in R.C. 3301.0712, 3301.0727, 3302.03, 3302.034, 3302.20, 3314.013, 3314.016, 3314.017, 3314.034, 3314.05, 3314.261, 3314.29, 3314.35, 3314.351, 3314.46, 3314.361, 3314.38, 3314.381, 3314.382, 3317.163, 3317.22, and 3319.301)

The bill defines a "dropout prevention and recovery community school" as a community school that enrolls only students who are between the ages of 14 and 21, and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs.

Prior to July 1, 2027, each school to which the bill's provisions apply, upon approval of the school's sponsor, must (1) transfer those grades that do not comply to a separate community school or (2) cease offering those grades. The bill requires schools to assist students who are not eligible to attend a "dropout prevention and recovery community school" to transfer to the separate community school or enroll in a different school.

Transition period

Currently, a "dropout recovery community school" is a community school in which a majority of the students are enrolled in a dropout prevention and recovery program that is operated by the school. The bill permits schools that meet the current definition but do not satisfy the new definitional requirements to continue to operate for the 2025-2026 and 2026-2027 school years.

On and after July 1, 2027, all community schools that primarily serve students enrolled in a dropout prevention and recovery program must comply with the new definition.

Separate IRN

The bill requires the Department to assign any separate community school created to attain compliance with the new definition its own internal retrieval number.

Community school opening assurances

(R.C. 3314.19)

First, the bill reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department. Under current law, a sponsor must submit the list of assurances for each school once when the school first opens for operation and, in the case of a brick-and-mortar school, once again if it begins operation from a new building. In either case, the assurances must be submitted within ten days prior to the opening day of instruction.

The bill also requires the sponsor of a community school that adds a facility to an existing location, or an internet- or computer-based community school that changes its location or adds a satellite location, to provide the prescribed assurances at least one day prior to the operation in the new facility.

Multiple facilities

(R.C. 3314.05; conforming changes in R.C. 3314.411 and 3314.191)

The bill permits any community school to be located in multiple facilities in more than one school district under the same contract. Currently, a community school may be established in only one school district under the same sponsorship contract. However, several exceptions to current law exist, some of which are based on performance. The bill eliminates the exceptions. In doing so, the bill also eliminates the prohibition on a community school from offering the same grade level classrooms in more than one facility under certain conditions.

As under continuing law, the bill requires the governing authority of a community school that maintains facilities in more than one school district to designate one of those districts to be considered the school's primary location and to notify the Department of that designation. If the governing authority elects to modify a community school's primary location, the bill requires the governing authority to notify the Department of that modification.

Contracts and comprehensive plans

(R.C. 3314.03; conforming changes in R.C. 3314.015, 3314.021, 3314.034, and 3314.07)

The bill eliminates the requirement that each community school submit a comprehensive plan to its sponsor. Instead, it requires that plan's provisions to be included in the contract between the school's sponsor and governing authority. Under continuing law, those provisions include the following:

1. The process for future governing authority member selection;

2. The management and administration of the school;

3. If the community school is a currently existing public school or educational service center building, alternative arrangements for students who choose not to attend the converted school and for teachers who choose not to teach in the school or building after conversion;

4. The instructional program and educational philosophy of the school; and

5. Internal financial controls.

Classical schools

(R.C. 3301.0711 and 3317.02)

The bill defines a "classical school" as a community school that is a member of the Ohio Classical School Association or its successor organization and uses a curriculum substantially similar to that of a nationally recognized classical school network.

Paper assessments at classical schools

The bill permits a classical school to generally administer paper assessments in a paper format. However, any student whose individualized education program or plan developed under Section 504 of the federal Rehabilitation Act of 1973 specifies that taking the assessment in an online format is an appropriate accommodation for the student may take the assessment in an online format.

Community school FTE reporting

(Section 5 of H.B. 554 of the 134th G.A., amended in Sections 630.30 and 630.31)

The bill extends through the 2025-2026 school year the option for a qualifying community school to elect to report its number of students to the Department on a full-time equivalent basis using the lesser of:

1. The maximum full-time equivalency for the portion of the school year for which a student is enrolled in the school; or

2. The sum of 1⁄6 of the full-time equivalency based on attendance for the portion of the school year for which a student is enrolled and 1⁄6 of the full-time equivalency for each credit of instruction earned during the enrollment period, up to five credits.

For more information on the provision and the community schools that qualify under it, see the LSC Final Analysis (PDF) for H.B. 554 of the 134th General Assembly, which is also available at legislature.ohio.gov. H.B. 33 of the 135th General Assembly extended this provision through the 2024-2025 school year.

VII. School policies

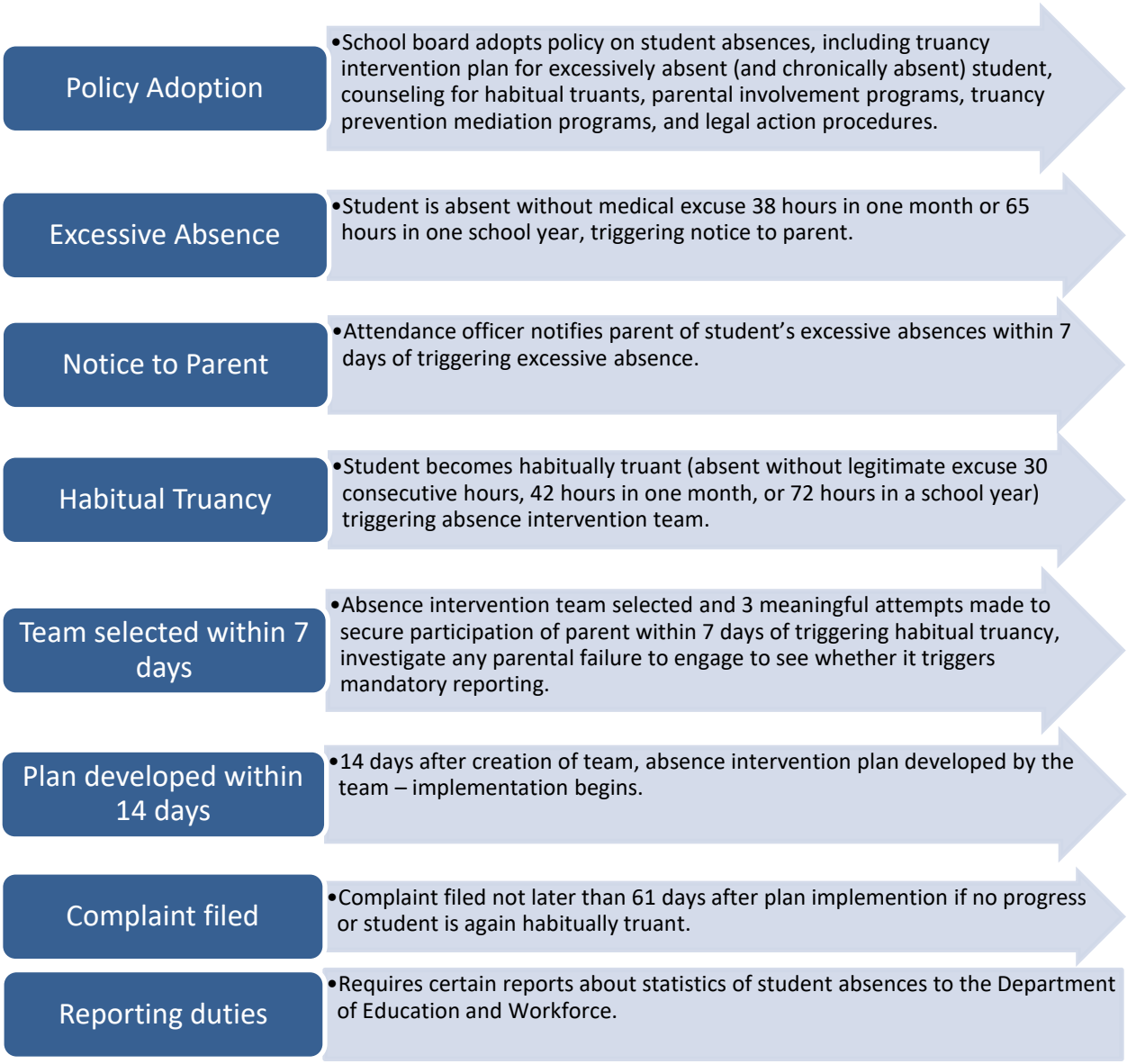
Absence intervention, truancy, and chronic absenteeism

The bill substantially modifies the process school districts, brick-and-mortar community schools, and STEM schools must follow when addressing student absences by replacing several more structured statutory requirements and timelines related to the absence intervention process with a similar set of district-led requirements. It also makes other changes.

District and school responsibilities for student absences

(R.C. 3321.191, repealed and reenacted, and 3321.19; conforming changes in R.C. 2151.27, 3320.04, and 3321.16)

The bill generally retains the (1) requirement to adopt a policy to address student absences and (2) definition of "habitual truant." However, it repeals the following process districts and schools must follow prescribed in current law:



Instead, the bill replaces this process with a requirement to adopt a policy in consultation with the juvenile court that does all of the following:

1. Acknowledges that student absences from school for any reason, whether excused or unexcused, take away from instructional time and have an adverse effect on student learning;

2. Identifies strategies to prevent students from becoming chronically absent;

3. Includes procedures for notifying a student's parent, guardian, or custodian, when the student has been absent from school for a number of hours determined by the board, which cannot exceed 5% of the minimum number of hours required in the school year;

4. Establishes a tiered system that provides more intensive interventions and supports for students with greater numbers of absences and includes resources to help students and their families address the root causes of the absences;

5. Provides for one or more absence intervention teams to work with students at risk of becoming chronically absent and their families to improve the students' attendance at school;

6. Prohibits suspending, expelling, or otherwise preventing a student from attending school based on the student's absences; and

7. Permits consultation or partnering with public, nonprofit, or private entities to provide assistance to students and families in reducing absences.

Chronic absenteeism percentage

(R.C. 3321.191(A))

The bill officially defines "chronically absent" as missing at least 10% of the minimum number of hours required in the school year, regardless of whether the absence is excused or unexcused. This aligns with federal law.

Federal law requires schools to collect data on "chronic absenteeism" and track and monitor absences.[60] Generally, a student is "chronically absent" when the student, with or without excuse, misses 10% or more of the school year, or about 18 days.[61] Schools and districts must provide supports to these students and their families to prevent further absences.

Grade level promotion

(R.C. 3313.609)

The bill eliminates the requirement that a school district or community school prohibit the grade level promotion of a student who has been absent without excuse for more than 10% of the required attendance days of the school year.

Filing of truancy complaint in juvenile court

(R.C. 3321.16; conforming changes in R.C. 3321.22)

As mentioned above, the bill eliminates the requirement that if the student's absences persist after the school has made meaningful attempts to reengage the student, the school must file a complaint in juvenile court not later than 61 days after the absence intervention team's plan was implemented. Instead, the bill requires a complaint only if the school district determines that the student is not making satisfactory progress in improving the student's attendance at school. When a complaint is filed, it must allege that the child is an unruly child for being a habitual truant and that the parent or guardian has violated the duty to cause the child to attend school.

Background

Under continuing law, an "habitual truant" is a student of compulsory school age who is absent *without legitimate excuse* for 30 or more consecutive hours, 42 or more hours in one

[60] 20 U.S.C. 6311(c) and 6613(b).

[61] See, Letter from Secretary Cardona Regarding Student Attendance and Engagement, March 22, 2024, which is available on the U.S. Department of Education's website: ed.gov.

school month, or 72 or more hours in a school year.[62] For any student whose absences meet that threshold, a school district or school must currently engage an absence intervention plan process. That process requires the student and the student's parent to participate in activities to get the student to attend school and, if the student's unexcused absences persist, it can eventually lead to the filing of a complaint in juvenile court.

Notice to parents regarding truancy and consequences

(R.C. 3321.21)

The bill clarifies that certain required notices to parents regarding truancy and consequences that include proof of receipt and are sent by email or text message, in addition to registered mail, regular mail with certificate of mailing, or other form of delivery, are legal notices.

EMIS data on student absences

(R.C. 3301.0714)

Beginning with the 2025-2026 school year, the bill requires each school district, community school, and STEM school to report to Education Management Information System (EMIS) the causes of student absences. Absences must be categorized by at least all of the following:

1. Chronic illness requiring hospitalization;

2. Chronic illness not requiring hospitalization;

3. Temporary medical absence with written explanation from a family doctor;

4. Temporary medical absence with explanation from parent, guardian, or legal custodian;

5. Regular medical or dental appointment;

6. Family-selected extra-curricular activity;

7. International student exchange program;

8. Participation in agricultural organization activities;

9. Family travel;

10. Foster care placement;

11. Foster care – student school transfer;

12. Foster care – required visitation;

13. Foster care – medical appointment;

[62] R.C. 2151.011(B)(18), not in the bill.

14. Lack of transportation by a school district, if the district regularly provides transportation;

15. Lack of transportation by parent, guardian, or custodian, if the school district does not regularly provide transportation; and

16. Any additional categories identified through review of national and surrounding state best practices to identify the causes of student absences.

Student absences for driver education

(R.C. 3321.043)

Under the bill, a school district must excuse up to eight hours of absences for the sole purpose of a high school student attending a private driver training course approved by the Director of Public Safety. The allotment must not exceed two hours per day for not more than four consecutive or nonconsecutive days. The district must require the student to complete any classroom assignments missed during that time.

Student cellphone use

(R.C. 3313.753)

The bill requires each public school's (any school district, community school, STEM school, or college-preparatory boarding school) policy governing the use of cellphones by students during school hours to outright prohibit student cellphone use during the instructional day. Though, the bill maintains an exception to that prohibition that permits cellphone use for student learning or to monitor or address a health concern if determined appropriate by the school's governing body or if that use is included in a student's individualized education program (IEP) or section 504 plan.

Each school must adopt the updated policy by the first day of January after the bill's effective date if it does not have a policy that meets the bill's requirement. Within 60 days of that date, the Department must develop a model policy that meets the bill's requirements for use by schools.

Background

H.B. 250 of the 135th General Assembly, effective August 14, 2024, requires public schools to adopt a policy governing the use of cellphones by students during school hours that (1) emphasizes that student use be as limited as possible during school hours and (2) reduces use-related distractions in classroom settings. That law also requires the Department to adopt a model cellphone policy, taking into account available research concerning the effect of cellphone use by students in school settings.

Artificial intelligence policies

(R.C. 3301.24; conforming changes in R.C. 3314.03, and 3326.11)

The bill requires the Department to develop a model policy on the use of artificial intelligence in schools no later than December 31, 2025. The policy must include the appropriate use of artificial intelligence by students and staff for educational purposes.

Not later than July 1, 2026, each school district and public school must adopt a policy on the use of artificial intelligence in schools. Districts and schools may choose to adopt the model policy created by the Department.

Religious instruction released time policy

(R.C. 3313.6022)

The bill adds minimum and maximum time parameters for school district religious released time policies. Under continuing law, each school district must adopt a policy that authorizes a student to be excused from school to attend a released time course in religious instruction. The bill requires a school district to permit students to attend a released time course in religious instruction for at least one period a week and also limits student attendance in a released time course to no more than two periods per week for elementary school students and no more than two units of high school credit per week for high school students.

VIII. Transportation

Student transportation using mass transit

(R.C. 3327.017 and 4511.78)

The bill permits a community school to purchase mass transit system passes for its students in grades 9 through 12 and to certify to the Department of Education and Workforce the cost of providing those passes if the school district responsible for transporting those students elects to pay for the cost of the passes instead of directly transporting them for a school year. The Department must deduct from a school district's state foundation payment the cost of the passes and pay it to the community school.

With respect to a mass transit system with a central transfer hub located in a county that is ranked as one of the eight most populous counties in Ohio according to the most recent federal decennial census, the bill requires each city, local, exempted village, or municipal school district that uses the mass transit system to transport students to and from a community or chartered nonpublic school to ensure that any transfer between routes does not occur at the central hub for the mass transit system.

Relatedly, the bill requires those same mass transit systems, if they regularly transport students to or from a school session, to provide routes that ensure the students either (1) will not need to transfer between different buses, or (2) will only need to make one transfer at a location that is not the central transfer hub for the mass transit system.

The bill expressly applies the law regarding school districts providing or arranging for the transportation of students using mass transit systems to a municipal school district (the only one of which is the Cleveland Municipal School District).

Student transportation workgroup

(R.C. 3327.18)

The bill requires the Director of Education and Workforce to establish a workgroup on student transportation. The workgroup must consist of members selected by the Director, including representatives from all of the following:

1. The chairs and ranking members of the House and Senate standing committees that consider primary and secondary education legislation;

2. School districts, including districts from rural, small town, suburban, and urban typologies;

3. Career-technical education centers;

4. Educational service centers;

5. Community schools;

6. Chartered nonpublic schools; and

7. The Ohio Association for Pupil Transportation.

The bill requires the workgroup to monitor and review annually the student transportation system and develop recommendations for changes to better meet the transportation needs of Ohio students. The workgroup must submit a report on its findings and recommendations to the Governor and the General Assembly no later than June 30, 2026, and annually thereafter.

Pupil Transportation Pilot Program

(Section 265.550 of H.B. 33 of the 135th G.A., as amended in Sections 620.10 and 620.11)

The bill extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 and 2026-2027 school years. Under the pilot program, an educational service center provides transportation to qualifying students in lieu of the students receiving transportation from their resident school district. For more information on the pilot program, see the LSC Final Analysis for H.B. 33 (PDF), which is available on the General Assembly's website: legislature.ohio.gov.

The bill additionally requires the Department of Education and Workforce to evaluate the Montgomery County Pupil Transportation Pilot Program and issue a report of its findings by September 15, 2027.

Rural Transportation Grant Program

(Section 265.600)

The bill creates the Rural Transportation Grant Program for FYs 2026 and 2027. Under the program, the Department of Education and Workforce must award rural transportation grants each fiscal year to dropout prevention and recovery community schools that meet both of the following requirements:

1. More than 75% of the school's students are economically disadvantaged, as determined by the Department; and

2. The school's territory is located in three counties and contains more than 12 school districts.

The Department must determine the amount of each grant, but a grant cannot exceed $450,000 for any fiscal year. Additionally, the bill requires schools to use grants awarded under the program for student transportation.

IX. Other

Disposition of school district property

(R.C. 3313.41, 3313.411, and 3313.413)

Right of first refusal

The bill extends the right of first refusal to purchase school district real property to chartered nonpublic schools located in the district.

Under continuing law, when a school district voluntarily decides to dispose of real property it owns in its corporate capacity and that is worth more than $10,000, it must first offer it for sale to other public schools (community, STEM, and college-preparatory boarding schools) located in the district. In effect, the law gives the other public schools a right of first refusal to lease or purchase that property.

Public auction

Continuing law requires that, if no school that qualifies for the right of first refusal indicates an interest in real property that a district is voluntarily disposing of, the district generally must offer that property for sale at a public auction. The bill expressly requires a district to accept the highest bid at a public auction.

As an alternative to public auction, continuing law permits a district to offer the property for sale to a specified governmental or nonprofit entity or to exchange the property as part of acquiring other property.

Planned demolition

The bill generally requires a school district, prior to demolishing a building it owns and is worth more than $10,000, to first offer that building for sale in the same manner as if it intended to voluntarily dispose of that real property. Specifically, the district must offer the building for sale to schools that qualify for the right of first of first refusal. If none of those schools indicate an interest in the building, the district board must offer it for sale at a public auction or under one of the statutory alternatives to a public auction.

However, the requirement to offer the building for sale prior to demolishing it does not apply to a building located on, or adjacent to, a tract or parcel of land where other school district buildings used for educational instruction are located.

Involuntary disposition of unused school facilities

Continuing law requires school districts to offer to sell or lease any of its real property that meet the statutory definition of being an "unused school facility" to other public schools located in the district. The bill adds chartered nonpublic schools located in the district to this list of qualifying schools to which school districts must offer unused school facilities.

The bill also requires, rather than permits as under current law, a school district to offer an unused school facility for sale at a public auction if no qualifying school purchases or leases the facility under the involuntary disposition law. Under the bill, the district must accept the highest bid at that auction.

Finally, the bill exempts a district from the requirement to offer to sell or lease an unused school facility if that facility is located on or adjacent to a tract or parcel of land where other school district facilities that are used for educational instruction are located.

Resale of school district property

The bill requires a community, STEM, college-preparatory boarding, or chartered nonpublic school that sells property it purchased from a school district through the involuntary disposition law or the right of first refusal law to pay to the district any profit the school earns from the resale of that property.

State report card – Early Literacy component

(R.C. 3302.03)

Under continuing law, the percentage of students promoted to fourth grade under the Third Grade Reading Guarantee is a performance measure for the Early Literacy component for public schools' state report card. The bill revises the measure so it is based on students who attain a promotion score on the third grade English Language Arts assessment or an alternative assessment, rather than any student who attains a promotion score or otherwise qualifies for an exemption from retention.

Competency-based adult education programs

(R.C. 3313.902, 3314.38, and 3345.86, all repealed and reenacted; R.C. 3317.036, 3317.23, 3317.231, and 3317.24, all repealed; conforming changes in R.C. 3317.01; Section 733.20)

Eliminate existing programs

The bill eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program. The bill allows individuals enrolled in those programs to complete their program in accordance with its requirements prior to its repeal, so long as they complete it by June 30, 2027. Alternatively, it allows an individual to instead complete a competency-based program as established in this bill. The Department is required to pay an eligible institution or eligible provider as required by the program an individual completes.

Competency-based educational programs

Definition

Under the bill, a "competency-based educational program" is any system of academic instruction, assessment, grading, and reporting in which individuals receive credit based on demonstrations and assessments of their learning rather than the amount of time they spend studying a subject. A competency-based educational program must encourage accelerated learning among individuals who master academic materials quickly while providing additional instructional support time for individuals who need it.

Providers

The bill permits a city, local, or exempted village school district or community school that operates a dropout prevention and recovery program, a joint vocational school district that operates an adult education program, a community college, a state community college, a technical college, a university branch campus, or an Ohio technical center ("provider") to establish a competency-based educational program for eligible individuals to earn a high school diploma.

An individual is eligible to enroll in a competency-based education program if they are at least 18 years old, have officially withdrawn from school, and have not been awarded a high school diploma or certificate of high school equivalence. Eligible individuals are prohibited from being assigned to classes or setting with individuals who are under 18 years old.

A provider may enroll an individual for up to three consecutive school years. In the event of a hardship experienced by the individual, a provider may request that the Department allow additional time to meet the diploma requirements.

A provider must comply with standards adopted by the Department and establish a career plan for each individual enrolled in the program that specifies their career goals and describes how the individual will demonstrate competency or earn course credits to earn a diploma and attain career goals.

The provider must report each individual enrolled in this program to the Department. Further, the provider must contact each diploma recipient to collect data on the individual's career outcomes at six, 12, and 18 months after the diploma is awarded. This must include whether the individual is gainfully employed, participating in an apprenticeship, enrolled in postsecondary education, or servicing in the military, and the data collected must be reported to the Department.

High school diploma requirements

An individual enrolled in a program may earn a diploma by either completing three demonstrations of competency or completing two demonstrations of competency and completing course credits in specified subject areas.

Demonstrations of competency include:

1. Attaining a competency score, as determined by the Department, on the Algebra I or English language arts II end-of-course exams;

2. Attaining a workforce readiness score, as determined by the Department, on the nationally recognized job skills assessment (WorkKeys);

3. Obtaining an industry-recognized credential, or group of credentials, that qualify the student for a high school diploma or an industry-recognized credential that is aligned to a technical education program provided by Ohio technical center;

4. Earning a cumulative score of proficient or higher on three or more state technical assessments (WebXams);

5. Completing a pre-apprenticeship program aligned with the student's career field and then providing evidence of acceptance into a registered apprenticeship in that field, or completing an apprenticeship registered with the Ohio State Apprenticeship Council;

6. Completing 250 hours of work-based learning experience with evidence of positive evaluations; or

7. Obtaining an OhioMeansJobs-readiness seal.

The course credits include:

1. Four credits in English language arts;

2. Four credits of math, one credit of which may be a career-based math course aligned to the individual's career plan;

3. Three credits in science;

4. Three credits in social studies; and

5. One-half credit in financial literacy, which may be applied to the number of math or social studies credits.

An individual who qualifies for a diploma using three demonstrations of competency must either attain a competency score on Algebra I and English language arts II end-of course exams or attain a workforce readiness score on the WorkKeys. A student who qualifies for a diploma using two demonstrations of competency and course credits may use any two demonstrations of competency.

Department responsibilities

The bill requires the Department to adopt rules as necessary to administer the program, such as program standards, requirements for determining amounts paid to providers, and guidelines for approving hardship requests for program participants. Annually, the Department must certify the enrollment and attendance of each individual and pay the provider up to $7,500 per school year based on the extent of the individual's completion of diploma requirements. The Department must award a high school diploma to individuals who successfully qualify for one under the program.

Aim Higher Pilot Program

(Section 265.560)

The bill requires the Department to establish the Aim Higher Pilot Program to operate in FY 2026 to provide additional funding to joint vocational school districts (JVSDs) that operate a dropout prevention and recovery (DOPR). To participate, an eligible JVSD must notify the Department of its intent to participate in a form and manner and by a date determined by the Department.

The Department must pay each JVSD that opts to participate in the program $500 for each credit earned by enrolled students and $2,500 for each completed industry-recognized credential, or group of credentials, that meet the criteria to help the student qualify for a high school diploma under continuing law. For each JVSD with a DOPR program in its first three years of operation and that requests it, the Department must also pay a one-time grant of $250,000. A JVSD that receives the one-time grant must designate $175,000 for career-technical education equipment and $75,000 of the grant for building renovation.

The Department must adopt guidelines and procedures to operate the program.

Payment of tuition for students in residential treatment facilities

(R.C. 3313.64)

The bill addresses payment of tuition for educational services when a child is placed in a home located in a district different from the district in which the child's parent resides (or a similarly licensed facility in another state). For purposes of determining district residency, a "home" is a foster home, a group home, or a residential facility. In this case, the school district in which a child's parent resides must pay tuition to the home or facility if (1) the child was parentally placed in the home or facility in consultation with, and upon the recommendation of, the Ohio Resilience through Integrated Systems and Excellence Program (OhioRISE) and (2) the home or facility provides education services that meet the minimum standards established by the Director of the Department (or substantially similar requirements of the jurisdiction in which an out-of-state facility is located), except that reduction in the minimum number of instructional hours is permitted only as necessary to accommodate the child's treatment program.

Notice of admission and collaborative reentry plan

When a child is admitted to a home or out-of-state facility, the home or out-of-state facility must notify the district where the child's parent resides and the district where the home is located that the home or facility will be provided educational services to the child until the child is discharged. When the child is discharged, the home or facility must notify the district where the child's parent resides and collaborate on a supportive reentry plan.

Payment structure

The bill requires the district where the parent resides to continue to enroll the student and excuse the child from attendance until the child is discharged. The total educational cost the district must pay will be determined by a formula approved by the Department. The Department must design the formula to calculate a per diem cost for the educational services provided each

day. The formula also must reflect the total actual cost incurred in providing those services. The Department must certify that cost to both the home or facility and the district responsible for tuition. The bill requires the Department to deduct the certified amount from the state basic aid funds payable to the responsible district and pay that amount to the home or facility. The district must continue to report the child in its enrollment for funding purposes.

Change in parent's residence

The bill provides that if the parent's residence changes during the child's stay the Department may re-determine the responsible school district based on evidence provided by the district currently responsible for tuition.

Discharge procedures

When a child is discharged, the home or facility must immediately notify the responsible district and the Department and provide both parties with a certified transcript of all coursework completed during the child's admission. The responsible district must accept all completed coursework and award credit in accordance with the district's policy.

Diploma requirements

When a high school student is discharged and returns to the parent's residence, the child must meet requirements for receiving a high school diploma that are no more stringent than those that apply to students who enroll in a public or chartered nonpublic high school after receiving a home education.[63]

State scholarship recipients

Finally, the bill exempts a school district from the responsibility to pay tuition for a child admitted to a home or facility who has been awarded a state scholarship.

Background

OhioRISE (Resilience through Integrated Systems and Excellence) is a specialized Medicaid managed care program for youth with complex behavioral health and multisystem needs. While some mental health and substance use services are covered under Medicaid, others are not, nor are they generally covered by private insurance. The resulting financial burden forced some families to surrender custody of their child to a public children services agency to enable the child to access care. One of the goals of OhioRISE is to prevent custody relinquishment.

School district operational revenue and expenditure report

(R.C. 5705.391; conforming changes in R.C. 3313.489, 3316.031, 3316.043, 3316.08, 3316.16, and 5705.412)

The bill reduces the duration for the operational revenue and expenditure forecasts that school districts are required to develop from five years to three years. The bill also requires the Auditor of State or the Department to examine the three-year projections to determine whether

[63] See R.C. 3313.618; R.C. 3321.042, not in the bill.

a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period, as under current law.

OHIO ELECTIONS COMMISSION

Elimination of the Commission

- Abolishes the Ohio Elections Commission (ELC) on January 1, 2026, and divides its powers between the Secretary of State (SOS) and the boards of elections based on the nature of a given complaint alleging a violation of the Campaign Finance Law.
- Requires the ELC to continue to operate under the current law between the bill's effective date and January 1 for the purpose of hearing and issuing decisions on complaints filed with the ELC before the bill takes effect.
- Requires any new complaints filed after the bill takes effect to be filed with the SOS or a board of elections instead of the ELC.
- Transfers any complaint that is still pending before the ELC on January 1 to the SOS or a board of elections, as applicable.

Advisory opinions on campaign finance

- Transfers the authority to render advisory opinions about the Campaign Finance Law to the SOS and makes the ELC's existing advisory opinions into SOS opinions, unless and until the SOS amends or rescinds them.

Jurisdiction over campaign finance violations

- Divides the ELC's current jurisdiction over the Campaign Finance Law between the SOS and the boards of elections, based on who is the subject of the complaint.
- Gives the SOS jurisdiction generally over state-level matters and gives the boards of elections jurisdiction generally over matters that are confined to the applicable county.
- Refers to the SOS or the board of elections, as applicable, as the "appropriate enforcement authority" in a given circumstance.
- Clarifies that for enforcement purposes, the Campaign Finance Law includes the laws governing campaign practices by candidates for the governing boards of Ohio's five public employee retirement systems.

Filing complaints

- Retains the current requirements for filing a complaint, with changes to refer to the SOS or a board of elections.

Hearing procedures

- Requires an attorney appointed by the SOS or the board of elections to review each complaint filed with the authority and make a recommendation for its disposition.
- Allows the SOS or the board either to dismiss the complaint or hear it.
- Requires any complaint filed with the SOS that receives a hearing to be heard and decided by a hearing officer appointed by the SOS, who must be an attorney.

- Prescribes procedures to follow if SOS has a conflict of interest regarding a complaint, requiring the Attorney General to appoint an independent attorney to review the complaint and an independent hearing officer to hear it.
- Requires a board of elections to make any decision to hear or dismiss a complaint, and any final decision after hearing a complaint, by the affirmative vote of at least three of its four members, with no tie vote cast by the SOS.
- Requires the appropriate enforcement authority to dispose of any complaint within 180 calendar days after it is filed with the authority.
- Requires a complaint to receive an expedited hearing if it is filed during the 90 days before an election and involves a candidate for nomination or election at that election or involves a ballot issue or question that appears on the ballot at that election.
- Requires a complaint that receives an expedited hearing to be disposed of before Election Day, if practicable.
- Allows the SOS and the boards of elections to administer oaths, subpoena witnesses and documents, and hire investigatory attorneys in fulfilling their duties under the bill.
- Requires all hearings to be conducted according to rules adopted by the SOS and, to the extent they are consistent with the SOS's rules, with the Administrative Procedure Act and the Ohio Rules of Civil Procedure.
- Specifies that the Ohio Rules of Evidence apply to all hearings conducted under the bill.
- Requires a board of elections to appoint an attorney to advise the board regarding the applicable procedures while it hears and adjudicates a complaint.
- Retains the current standards of proof that must be met for a person to be penalized for a campaign finance violation.

Penalties for campaign finance violations

- Allows the SOS's hearing officer or a board of elections, after hearing a complaint, to impose the same penalties as the ELC currently may impose.
- Clarifies that the penalty for any violation is the penalty that was in effect at the time the violation occurred.

Appeal of decision

- Requires any appeal to be filed with the court of common pleas of the appealing party's home county, eliminating the party's current option to file it instead with the Franklin County Court of Common Pleas, unless the party is not domiciled in Ohio, in which case the appeal must be filed in Franklin County.

Appropriate prosecutor for campaign finance violations

- Changes the "appropriate prosecutor" to whom the SOS or a board of elections may refer a matter, directing many cases to the county prosecutor of the violator's home county instead of the Franklin County Prosecutor.

Records of proceedings

- Requires the SOS to post all advisory opinions and decisions, including decisions by the boards of elections, on the SOS's website.

Funding; filing fee reduction

- Abolishes the Ohio Elections Commission Fund and eliminates or redirects its funding sources.
- Allows the SOS and the boards of elections to keep any fines they collect.
- Eliminates the ELC's portion of the candidate and ballot issue petition filing fees, thereby lowering the overall filing fees.

Other transitional provisions

- Specifies that the ELC's employees cease to hold their positions of employment on January 1, 2026, or as soon as possible thereafter.
- Makes the SOS the ELC's successor for most other purposes.

Technical changes to the Campaign Finance Law

- Makes several technical changes to sections of the Campaign Finance Law that are amended for other purposes.

Elimination of the Ohio Elections Commission

(R.C. 3501.05, 3501.11, 3513.10, 3517.01, 3517.102, 3517.109, 3517.1012, 3517.153 (3517.14), 3517.15, 3517.16, 3517.155 (3517.17), 3517.993 (3517.18), 3517.992 (3517.99), and 3517.991 (reenacted); Section 525.50; repeal of R.C. 3517.14, 3517.151, 3517.152, 3517.154, 3517.156, 3517.157, 3517.99, and 3517.991; and conforming changes in R.C. 109.02, 145.055, 145.99, 742.044, 742.99, 3307.074, 3307.99, 3309.074, 3309.99, 3513.04, 3513.05, 3513.261, 3517.08, 3517.081, 3517.11, 3517.121, 3517.20, 3517.21, 3517.22, 3517.23, 5505.046, and 5505.99)

The bill abolishes the Ohio Elections Commission (ELC) on January 1, 2026, and divides its powers between the Secretary of State (SOS) and the boards of elections based on the nature of a given complaint alleging a violation of the Campaign Finance Law.

Between the bill's standard 90-day effective date and January 1, the ELC must continue to operate under the current law for the purpose of hearing and issuing decisions on complaints filed with the ELC before the bill takes effect. However, during that period, no new complaints may be filed with the ELC, and the ELC no longer has the power to render advisory opinions or recommend legislation. Any new complaint must be filed with the SOS or a board of elections, as

applicable. And, any complaint that is still pending before the ELC on January 1 is transferred to the SOS or a board of elections, along with all ELC records regarding the complaint.

Background on the ELC

Generally

The ELC is responsible for enforcing Ohio's Campaign Finance Law with respect to state and local elections. In almost all cases involving a violation of that law, the ELC must hear an administrative complaint before a criminal case can be brought in court. For example, these complaints might include an alleged failure to file a complete, accurate, or timely statement of political contributions and expenditures; failure to disclose the source of political advertising; or failure to comply with dollar limits on contributions. If the ELC determines that a violation has occurred, it can impose a civil fine or refer the matter for criminal prosecution. The ELC also issues advisory opinions that interpret the Campaign Finance Law and may recommend legislation.

The ELC consists of seven members, with six members appointed by the Governor with the advice and consent of the Senate (three Republicans and three Democrats), and the seventh member, an independent, appointed by the partisan members of the ELC. The ELC also has three alternate members – one Republican, one Democrat, and one independent – who are appointed in the same manner as the regular members. When a regular member of the ELC is recused from hearing a complaint or is otherwise unavailable, the alternate of the appropriate affiliation takes the member's place.

Members of the ELC, including alternates, must be registered electors of good moral character. In making appointments to the ELC, the Governor is required to take into consideration the various geographic areas of Ohio so that those areas are represented on the ELC in a balanced manner, to the extent feasible. ELC members and alternates must not do or be any of the following:

- Hold, or be a candidate for, a public office;
- Serve on a committee supporting or opposing a candidate or ballot question or issue;
- Be an officer of a state or local political party;
- Be a legislative or executive agency lobbyist;
- Make a campaign contribution;
- Solicit, or be involved in soliciting, campaign contributions;
- Be in the unclassified service of the state or local government, such as an appointed department head or a legislative employee;[64]

[64] R.C. 124.11, not in the bill.

- Be a public officer or employee who is excluded from being considered a public employee for collective bargaining purposes, such as a supervisor, manager, or judicial employee.[65]

ELC members are not required to be attorneys, but the ELC must employ a full-time attorney to advise the ELC on legal matters, in addition to performing other functions.

Members of the ELC are paid $25,000 per year, while alternates receive $125 per day served. Both members and alternates are also reimbursed for their actual and necessary expenses incurred in performing their official duties. The ELC's operations are funded in part by fines it imposes and by a dedicated portion of candidate and ballot issue filing fees.

False campaign statements

Until 2016, many of the complaints the ELC heard were for violations of Ohio's law that prohibits making false campaign statements about a candidate or ballot issue. That year, however, in *Susan B. Anthony List v. Driehaus,* a federal appeals court overturned the law under the First Amendment, partly based on flaws the court identified in the ELC's process for enforcing the law, and partly based on other aspects of the law that the bill does not change. Because the bill retains the existing law against false campaign statements while replacing the ELC process, it is not clear under the bill whether the SOS or a board of elections might resume enforcing the law. If the SOS or a board did so, a reviewing court might consider whether the bill's new procedures sufficiently address the problems identified in *Susan B. Anthony List*, such that Ohio can enforce the law again.[66]

Advisory opinions on campaign finance

The bill transfers the authority to render advisory opinions about the Campaign Finance Law to the SOS. Any ELC advisory opinion in effect as of the bill's effective date is considered an advisory opinion of the SOS, unless and until the SOS amends or rescinds it. Under continuing law, when an advisory opinion determines that a particular action or set of circumstances would not violate the Campaign Finance Law, any person in that situation may reasonably rely on the opinion and is immune from criminal prosecution or any civil action, including removal from office, based on facts and circumstances covered by the opinion.

Jurisdiction over campaign finance violations

The bill divides the ELC's current jurisdiction over the Campaign Finance Law between the SOS and the boards of elections, based on who is the subject of the complaint. For purposes of the Campaign Finance Law, the bill defines the term "appropriate enforcement authority" to mean the SOS or the applicable board of elections, depending on the circumstances. Under continuing law, the Attorney General (AG) has exclusive jurisdiction to investigate and prosecute any violation of the law against campaign spending by foreign nationals. Other violations of the Election Law, such as offenses involving voter registration or voting, are referred directly to a prosecutor instead of to the ELC.

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[65] R.C. 4117.01, not in the bill.

[66] *Susan B. Anthony List v. Driehaus,* 814 F.3d 466, 473 (6th Cir. 2016).

The bill also clarifies in several provisions of law that for enforcement purposes, the Campaign Finance Law includes the laws governing campaign practices by candidates for the governing boards of Ohio's five public employee retirement systems. Those laws are not located in R.C. Chapter 3517, but they do currently fall within the ELC's purview.

Under the bill, the subject of a complaint – the person who is alleged to have violated the law – is the factor that determines whether the complaint must be filed with the SOS or the board of elections of the applicable county:

Jurisdiction over complaints alleging Campaign Finance Law violations, based on who is alleged to have committed the violation	
SOS	**Board of elections of the applicable county**
▪ A candidate for a statewide office – Governor, Lieutenant Governor, AG, SOS, Auditor of State, Treasurer of State, or justice or chief justice of the Supreme Court. ▪ A candidate for member of the General Assembly. ▪ A candidate for judge of a court of appeals. ▪ A candidate for an office of a district or political subdivision that has territory in more than one county. ▪ A candidate for the office of member of the Public Employees Retirement Board, the Board of Trustees of the Ohio Police and Fire Pension Fund, the State Teachers Retirement Board, the School Employees Retirement Board, or the State Highway Patrol Retirement Board. ▪ A political party – national, state, or county. ▪ A legislative campaign fund (campaign fund associated with a legislative caucus).	▪ A candidate for an office of a political subdivision that has territory in only one county – county offices, township offices, and most municipal and school district offices.
A political action committee (PAC) or political contributing entity (PCE) that is required to file its statements of contributions and expenditures with the SOS, meaning a PAC or PCE that does any of the following: ▪ Makes contributions to candidates for statewide office or the General Assembly;	A PAC or PCE that is required to file its statements of contributions and expenditures with the board, meaning a PAC or PCE that does only the following: ▪ Contributes to candidates who are to be on the ballot only within a county, subdivision, or district, other than General Assembly candidates. If the subdivision or district has territory in more than one county, the

Jurisdiction over complaints alleging Campaign Finance Law violations, based on who is alleged to have committed the violation	
SOS	**Board of elections of the applicable county**
▪ Makes contributions to political parties or legislative campaign funds; ▪ Receives contributions or makes expenditures in connection with a statewide ballot issue; or ▪ Makes contributions to other PACs or PCEs.	applicable board is the board of the most populous county in the district. ▪ Receives contributions or makes expenditures in connection with ballot questions or issues that are to be on the ballot only within a county, subdivision, or district. If the subdivision or district has territory in more than one county, the applicable board is the board of the most populous county in the district.
Any person, other than a person listed above, that is not domiciled in Ohio (for example, an out-of-state campaign donor).	Any person, other than a person listed above, that is domiciled in the county (for example, a campaign donor who resides in the county).

Filing complaints

The bill generally retains the current requirements for filing a complaint. Under continuing law, no prosecution may commence for a violation of the Campaign Finance Law unless an administrative complaint has been filed and all administrative proceedings are completed. A person must have personal knowledge of a failure to comply with the Campaign Finance Law in order to file a complaint with the appropriate enforcement authority, except when the SOS or a member of the board of elections (current law specifies "an official at" the board) files the complaint. The complaint must be on a form prescribed by the SOS and signed under penalty of perjury.

Continuing law requires a complaint to be filed within two years after the occurrence of the violation, except that if the violation involves fraud, concealment, or misrepresentation and was not discovered during that two-year period, a complaint may be filed within one year after the violation is discovered. A person who files a complaint may withdraw it at any time, except that if the complaint receives an expedited hearing and the hearing has already begun, the appropriate enforcement authority must grant permission to withdraw the complaint.

Hearing procedures

Overview

Complaints filed with the SOS

Similar to current law, the bill requires the SOS to appoint an attorney licensed in Ohio to review each complaint filed with the SOS and make a recommendation for its disposition. Current law requires the ELC's attorney to do so within one business day after the complaint is filed. The

bill does not impose such a deadline for initial review, but the bill generally shortens the timeline for hearing and disposing of complaints, as explained below under "**Timeline**."

Under continuing law, the attorney reviewing a complaint may join two or more complaints that are of the same or similar character, are based on the same act or failure to act, or are based on two or more acts or failures to act constituting parts of a common scheme or plan. The attorney also may separate a complaint into multiple complaints if the allegations are not of the same or similar character, are not based on the same act or failure to act, or are not based on two or more acts or failures to act constituting parts of a common scheme or plan.

After receiving the attorney's recommendation, the bill allows the SOS either to dismiss the complaint or refer it for a hearing conducted by a hearing officer appointed by the SOS, who also must be a licensed attorney. If at any point, the SOS or the SOS's hearing officer determines that the complaint is frivolous, the SOS may order the filer to pay reasonable attorney's fees and the SOS's costs.

Currently, the ELC or a panel of the ELC has the authority to dismiss a complaint, but it appears that any complaint that meets the formal requirements is guaranteed at least one hearing, at which the ELC or a panel may dismiss it. If the ELC or the panel determines that the complaint is frivolous, it may order the filer to pay reasonable attorney's fees and the ELC's costs.[67]

However, the bill includes a different procedure to follow if any of the following apply to the complaint:

- The SOS is a party to the complaint.
- A candidate for an office for which the SOS is also a candidate (in other words, the SOS's opponent) is a party to the complaint or is otherwise involved in the complaint.
- The complaint involves a contribution, expenditure, or independent expenditure made to advocate the election or defeat of the SOS or a candidate for an office for which the SOS is also a candidate.
- The SOS determines that the SOS otherwise has a conflict of interest with respect to the complaint or that the SOS should follow the conflict-of-interest procedure to avoid any appearance of impropriety.

In that situation, the SOS must request the AG to appoint an independent attorney to review the complaint instead of having the SOS's own attorney review it. The independent attorney must either dismiss the complaint or refer it to an independent hearing officer, also an attorney, who is appointed by the AG.

With respect to any complaint filed with the SOS under the bill, the hearing officer's decision is binding, in that the SOS does not have the power to approve or disapprove it.

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[67] See O.A.C. 3517-1-02 and *Susan B. Anthony List v. Driehaus,* 814 F.3d 466, 474 (6th Cir. 2016), stating that the ELC has no method of screening out frivolous complaints before they receive a hearing.

Complaints filed with a board of elections

When a complaint is filed with a board of elections, the same initial review procedure applies under the bill. The board must appoint a licensed attorney to review each complaint and make a recommendation. Then, the board must determine whether to hear or dismiss the complaint. If the board determines that the complaint is frivolous, the board may order the filer to pay reasonable attorney's fees and the board's costs.

In deciding whether to hear or dismiss a complaint, and in making its final decision on a complaint after a hearing, the bill requires the board to decide by the affirmative vote of at least three of its four members. (Under continuing law, a board of elections consists of two Republicans and two Democrats appointed by the SOS based on the county parties' recommendations.) Unlike with most board votes, the bill prohibits the SOS from casting a vote to break any tie vote regarding a complaint.[68]

Timeline

Regular

The bill requires complaints to be resolved more quickly than under current law. The appropriate enforcement authority must dispose of any complaint within 180 calendar days after it is filed with the authority, unless the expedited hearing procedure applies.

Under existing law, unless the expedited hearing procedure applies, the ELC must hold the first hearing within 180 business days after the complaint is filed, or within 240 business days if the ELC asks an investigative attorney to find additional evidence for the ELC to consider. After the close of all the evidence presented, the ELC must render a decision within 30 days. However, there is no apparent limit on how long a case may be pending before the ELC after its first hearing but before all the evidence has been presented.

Eligibility for expedited hearing

Under the bill, an expedited hearing requirement applies to any complaint that is filed during the 90 days before an election, if the complaint involves a candidate for nomination or election at that election or involves a ballot issue or question that appears on the ballot at that election.

Currently, the following complaints are subject to the ELC's expedited hearing procedure:

- Complaints filed during the 60 days before a primary or special election or during the 90 days before a general election, alleging a violation of the laws against any of the following:
  - Making false campaign statements (see "**False campaign statements**," above);
  - Infiltrating a campaign;
  - Concealing or misrepresenting contributions;
  - Awarding an unbid government contract to a campaign donor;

[68] R.C. 3501.06 and 3501.07, not in the bill; R.C. 3501.11(X).

- Misusing campaign funds.

- Other complaints filed during the 60 days before a primary or special election or during the 90 days before a general election, if the ELC's attorney recommends an expedited hearing based on the following factors:
  - The number of prior violations of the Election Law the subject of the complaint has committed and any prior penalties the ELC has imposed on the person;
  - The time between alleged violations and whether the cumulative nature of the alleged violations indicates a systematic disregard for the law;
  - If the complaint involves a late filing, how late the filing is and how long after the filing deadline the complaint was filed;
  - If the complaint involves unreported or late-reported contributions or expenditures, the number of those contributions or expenditures and, if applicable, how late they were reported;
  - If the complaint involves unreported contributions to a candidate, whether any of the donors have a personal or professional relationship with the candidate;
  - If the complaint involves an incomplete statement, the degree to which it is incomplete;
  - If the complaint involves the receipt of unlawful corporate contributions, the dollar amount and number of the contributions;
  - If the complaint involves a failure to disclose the source of political advertising or a misstatement of the source, whether the failure or misstatement was on purpose;
  - The current number of pending expedited hearings. The attorney must not refer a case for an expedited hearing if it would place an undue burden on a panel of the ELC.
- Any other complaint, upon the request of the person filing the complaint, if the ELC determines that an expedited hearing is practicable and decides to grant the request.

Expedited hearing timeline

Under the bill, when the expedited hearing procedure applies to a complaint, the first hearing must be held within two business days after the SOS refers the complaint to the hearing officer or within two business days after the complaint is filed with the board of elections, as applicable. For good cause, the appropriate enforcement authority may delay the first hearing by up to an additional five business days. Then, if practicable, the authority must dispose of the complaint before the day of the election. If not, the authority must dispose of the complaint within 180 calendar days after it was filed.

According to current ELC procedures, expedited hearings begin with a hearing held by a panel of at least three members of the ELC, which must determine whether there is probable cause to believe that a violation has occurred. The panel generally must hold a probable cause hearing within seven business days after the attorney refers the complaint to the panel. But, the parties may agree to delay the hearing until up to 180 business days after the complaint was filed.

The law does not guarantee that a complaint will receive a probable cause determination before the election.

If the panel determines that probable cause exists, the full ELC must hold a hearing on the complaint within ten days after the panel makes its decision. After the close of all the evidence presented, the ELC must render a decision within 30 days. Again, however, there is no apparent limit on how long a case that receives an expedited probable cause hearing may be pending before the full ELC makes a final determination.

Investigative powers

Currently, the ELC, the SOS, and the boards of elections all have the same basic investigative powers to assist them in carrying out their duties. They may administer oaths (that is, take sworn testimony from witnesses), and they may subpoena witnesses and documents within Ohio. The bill specifies that the SOS and the boards of elections may use those powers in fulfilling their new duties under the bill.

Similar to the ELC process, the bill allows for an investigatory attorney to assist an SOS hearing officer or a board of elections by producing sufficient evidence to decide the matter. At the hearing officer's request, the SOS must appoint an investigatory attorney. A board of elections itself also may appoint an investigatory attorney for that purpose.

Applicable laws and rules

The bill requires the SOS to adopt rules under the rulemaking provisions of the Administrative Procedure Act (APA) to prescribe the procedures to be used in hearing complaints filed with the SOS or a board of elections. The APA's adjudicatory procedures for executive agencies also apply to proceedings held under the bill, except where they are inconsistent with the bill itself or with the rules the SOS adopts under the bill. Under continuing law, the APA sets out general requirements on such topics as notifying the parties of a hearing, keeping records of the proceedings, and the right to be represented by an attorney.[69] To the extent they are consistent with APA procedures and SOS rules, the Ohio Rules of Civil Procedure also apply to all hearings held under the bill.[70] These provisions are essentially the same as current law with respect to the ELC.

Additionally, under the bill, the Ohio Rules of Evidence apply to all proceedings before an SOS hearing officer or a board of elections.[71] For example, the Rules of Evidence limit the extent to which hearsay may be considered as evidence, or what evidence might be considered inadmissible because it is irrelevant or overly prejudicial. The bill does not allow the SOS to adopt

[69] R.C. 119.05 through 119.13, not in the bill.

[70] Ohio Supreme Court, Ohio Rules of Civil Procedure (PDF), available at supremecourt.ohio.gov under "Rules of Court."

[71] Ohio Supreme Court, Ohio Rules of Evidence (PDF), available at supremecourt.ohio.gov under "Rules of Court."

rules that conflict with the Rules of Evidence. Currently, the ELC's rules provide that the Ohio Rules of Evidence apply only to the extent they are not in conflict with the ELC's rules.[72]

As the members of a board of elections are not necessarily attorneys, the bill requires a board to appoint an attorney to advise the board regarding the applicable procedures while it hears and adjudicates a complaint. Under current law, the ELC may delegate to its attorney the power to rule on the admissibility of evidence and to advise on other procedural matters.

Standard of proof

The bill retains the current standards of proof that must be met for a person to be penalized for a campaign finance violation. Under continuing law, if the authority hearing a complaint finds that a violation has occurred, it must make that finding by a preponderance of the evidence. This is the standard of proof that applies in most civil cases. However, any finding of a violation of the law prohibiting false campaign statements or infiltrating a campaign must be made by clear and convincing evidence, which is a higher standard (see "**False campaign statements**," above). By contrast, to convict a person of a criminal violation of any campaign finance law, a judge or jury must find the person guilty beyond a reasonable doubt, the highest standard used in Ohio's legal system.

Penalties for campaign finance violations

The bill gives an SOS hearing officer or a board of elections the same options as are currently available to the ELC, if the authority finds that a violation of the Campaign Finance Law has occurred:

- Enter a finding that good cause has been shown not to impose a fine or refer the matter for prosecution;
- Impose an administrative fine;
- Refer the matter to the appropriate prosecutor (see "**Appropriate prosecutor**," below).

But, if the authority finds a violation of the law prohibiting false campaign statements (see "**False campaign statements**," above) or infiltrating a campaign, the authority must refer the matter for prosecution instead of imposing an administrative penalty.

The bill does not make any substantive changes to the civil or criminal penalties for violating the Campaign Finance Law. But, the bill clarifies that the penalty for any violation is the penalty that was in effect at the time the violation occurred, which is generally true for any criminal law. In other words, an old violation must be punished under the old law. The bill repeals existing sections of law that refer to violations that occurred before August 23, 1995, when the legislature made a number of changes to the ELC and the Campaign Finance Law, but those older laws still would apply in the case of any violation committed before that date, even though the bill removes them from the Revised Code.

[72] O.A.C. 3517-1-01.

Under continuing law, for any campaign finance violation occurring on or after August 24, 1995, the maximum administrative fine is the maximum fine a court could impose for that violation as a criminal fine. For a violation occurring between April 4, 1985, and August 23, 1995, the administrative fine must be the fine set by the ELC's fine schedule at the time of the violation. (In 1995, the General Assembly eliminated the ELC fine schedule and instead required the ELC to follow the criminal fine amounts.)

Continuing law allows the appropriate enforcement authority to suspend all or part of a fine upon whatever terms and conditions it considers just. In determining whether to impose a maximum fine, the authority must consider all of the following:

- Whether the violator has been found guilty of any other violation of the Election Law or has any outstanding fines for such a violation (the bill adds violations related to retirement system board elections as violations to be considered);
- Whether the violation was made knowingly or purposely;
- Whether any relevant statements, addenda, or affidavits required to be filed have not been filed;
- Whether the violation occurred during the course of a campaign.

In determining whether to impose a minimal fine or no fine, the authority must consider all of the following:

- Whether the violator previously has not been found guilty of any other violation of the Election Law (the bill adds violations related to retirement system board elections as violations to be considered);
- Whether the violator has promptly corrected the violator's violation;
- Whether the nature and circumstances of the violation merit a minimum fine;
- Whether there are substantial grounds tending to excuse or justify the violation, although failing to establish a defense to the violation;
- Whether the violation was not purposely committed.

Appeal of decision

Under the bill, any appeal of a decision of an SOS hearing officer or a board of elections must be filed with the court of common pleas of the county in which the appealing party is domiciled. Existing law allows such a party to choose between the court of common pleas of the party's home county and the Franklin County Court of Common Pleas.

Under continuing law, if the appealing party is not domiciled in Ohio, the appeal must be filed with the Franklin County Court of Common Pleas.[73]

[73] R.C. 119.12, not in the boll.

Appropriate prosecutor for campaign finance violations

The bill changes the "appropriate prosecutor" to whom the SOS or a board of elections may refer a matter, directing many cases to the county prosecutor of the violator's home county instead of the Franklin County Prosecutor. Under the bill, if the violator is domiciled in Ohio, the appropriate prosecutor is the county prosecutor of the violator's county. If the violator is not domiciled in Ohio, the appropriate prosecutor is the Franklin County Prosecutor. However, if the enforcement authority determines that the applicable prosecutor has a conflict of interest with respect to the matter, the authority must ask the AG to appoint a special prosecutor.

Existing law specifies that in a case involving any of the following, the "appropriate prosecutor" to whom the ELC should refer a case is the Franklin County Prosecutor:

- A candidate for Governor, Lieutenant Governor, AG, SOS, Auditor of State, Treasurer of State, justice or chief justice of the Supreme Court, or member of the State Board of Education (under other provisions of the bill, members of the State Board of Education are no longer elected);
- A state or county political party;
- A legislative campaign fund;
- A PAC or PCE that is required to file its statements of contributions and expenditures with the SOS, meaning a PAC or PCE that does any of the following:
  - Makes contributions to candidates for statewide office or the General Assembly;
  - Makes contributions to political parties or legislative campaign funds;
  - Receives contributions or makes expenditures in connection with a statewide ballot issue; or
  - Makes contributions to other PACs or PCEs.

In any other case, existing law allows the ELC to refer the matter either to the Franklin County Prosecutor or to the prosecutor of the most populous county in which the candidacy or ballot question or issue appears on the ballot.

Records of proceedings

The bill requires the SOS to post all of the following on the SOS's official website and update it regularly:

- All decisions and advisory opinions issued by the SOS;
- All decisions issued by a board of elections. Upon rendering a decision, the board promptly must certify a copy to the SOS.
- All decisions and advisory opinions issued by the ELC before it is abolished;
- Copies of the Election Law.

Existing law requires the ELC to post all of its decisions and advisory opinions online, along with copies of the Election Law, and to keep them updated.

Under continuing law, complaints regarding campaign finance violations generally are considered public records, but they are not required to be posted online.

Funding; filing fee reduction

The bill abolishes the Ohio Elections Commission Fund and eliminates or redirects its funding sources. Between the bill's effective date and January 1, 2026, the ELC must continue operating for the purpose of resolving pending complaints, but no new revenue is to be deposited in the ELC's fund during that time. The ELC Fund currently consists of the following:

- Administrative fines imposed by the ELC. The bill redirects those fines to SOS or the board of elections, as applicable. Any fines imposed by the SOS must be deposited in the state treasury to the credit of the Corporate and Uniform Commercial Code Filing Fund, which is the SOS's main operating fund. Any fines imposed by a board of elections must be deposited in the county's general fund.
- A portion of candidate and petition filing fees. The bill eliminates the ELC's portion of those fees and thereby lowers the overall filing fees, as shown in the table below.
- Excess funds donated by a campaign committee or legislative campaign fund that chooses to dispose of its excess funds in that manner. The bill eliminates this option, requiring a campaign committee or legislative campaign fund either to give refunds to its donors or to donate the excess funds to a nonprofit corporation.
- Excess funds confiscated by a court from a campaign committee or legislative campaign fund that fails to dispose of excess funds as required under the law. The bill redirects those funds to the GRF.
- Funds appropriated by the General Assembly.

The table below shows the reduction in total filing fees as a result of eliminating the ELC's share. Under continuing law, the remainder of the fee goes to the GRF in the case of filings with the SOS, or to the county's general fund in the case of filings with a board of elections.

Candidate and ballot issue filing fees		
Type of filing	**Current ELC fee, eliminated**	**Continuing state or county fee**
Candidate for statewide office, including joint candidates for Governor and Lieutenant Governor	$50	$100
Candidate for district office	$35	$50
Candidate for judge of a court of appeals, court of common pleas, county court, or municipal court	$30	$50
Candidate for county office	$30	$50

Candidate and ballot issue filing fees		
Type of filing	Current ELC fee, eliminated	Continuing state or county fee
Candidate for city office	$25	$20
Candidate for village, township, or school district office	$20	$10
Petition for statewide ballot issue	$25	$0
Petition for county ballot issue or multicounty district ballot issue	$15	$0
Petition for city ballot issue	$12.50	$0
Petition for a village, township, or other district ballot issue	$10	$0

Other transitional provisions

The ELC's employees cease to hold their positions of employment on January 1, 2026, or as soon as possible thereafter. The bill makes the SOS the ELC's successor for most other purposes. When the ELC is abolished, the SOS must do all of the following:

- Receive all of the ELC's records, assets, and liabilities, other than records of pending complaints that are transferred to a board of elections;
- Complete any unfinished ELC business, except for pending complaints that are transferred to a board of elections. The bill specifies that no validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer.
- Prosecute or defend any pending action or proceeding in place of the ELC, except for pending complaints that are transferred to a board of elections;
- Assume and pay off any outstanding obligations of the ELC. On January 1, 2026, or as soon as possible thereafter, the OBM Director must transfer the cash balance of the ELC Fund to the SOS's Corporate and Uniform Commercial Code Filing Fund. Upon completion of the transfer, the ELC Fund is abolished. The OBM Director must cancel any existing encumbrances against the ELC's appropriation item and reestablish them against an appropriation item under the SOS. The bill appropriates the reestablished encumbrance amounts.

Any remaining reference to the ELC or its Executive Director in any law, contract, or other document must be deemed to refer to the SOS.

Technical changes to the Campaign Finance Law

The bill makes several technical changes to sections of the Campaign Finance Law that are amended for other purposes. First, the bill removes an incorrect cross-reference in

R.C. 3517.1012 and corrects the section to restore the meaning it had before the error arose. R.C. 3517.1012 lists the purposes for which a state or county political party may use its restricted fund, which may receive certain corporate and labor union contributions. Until 2019, the law allowed the party to use that fund for the same purposes as those for which the party could use the funds it received from the Ohio Political Party Fund under an income tax return checkoff program. But, when the tax checkoff and the Ohio Political Party Fund were eliminated in 2019, the cross-reference remained in R.C. 3517.1012.

The bill clarifies that a state or county party may use its restricted fund for any of the following purposes, as allowed before 2019:

- The defraying of operating and maintenance costs associated with political party headquarters, including rental or leasing costs, staff salaries, office equipment and supplies, postage, and the purchase, lease, or maintenance of computer hardware and software;
- The organization of voter registration programs and get-out-the-vote campaigns and the costs associated with voter registration and get-out-the-vote activities, including, but not limited to, rental costs for booth spaces at fairs, festivals, or similar events if voter registration forms are available at those booths, printing costs for registration forms, mailing costs for communications soliciting voter registration, and payments for the services of persons conducting voter registration and get-out-the-vote activities;
- The administration of party fundraising drives;
- Direct mail campaigns or other communications with the registered voters of a party that are not related to any particular candidate or election;
- The preparation of reports required by law.

The bill also corrects an incorrect reference in R.C. 3517.20 to refer to a "political contributing entity," which is a defined term under the continuing law, instead of to a "political contributing committee," which is not.

Finally, in R.C. 3517.992 (renumbered as 3517.99), the bill eliminates a reference to an obsolete provision of law related to declarations of no limits on campaign contributions, which are no longer used.

ENVIRONMENTAL PROTECTION AGENCY

Environmental fees

- Extends the period of validity for various fees charged by the Ohio Environmental Protection Agency (OEPA) (several of which are altered by the bill) under the laws governing air pollution control, water pollution control, safe drinking water, and scrap tires.
- Extends the period of validity, for an additional two years, of solid waste transfer and disposal fees, which are scheduled to sunset on June 30, 2026.
- Increases, by 50%, fees related to OEPA's air pollution control program, including fees for facility permits to install and annual fees that are based on total air pollution emissions or emission capacity.
- In addition to the existing emission-based annual fees, creates an annual fee charged to synthetic minor facilities and Title V air pollution control permit holders that is based on total tons of emissions discharged from a facility during the previous calendar year.
- Eliminates the $140 infectious waste generator registration application and renewal fee.
- Eliminates the application fee of 0.5% of the total exempt facility project costs, not to exceed $2,000, for an industrial water pollution control facility that files for a certificate to exempt the facility from certain taxes.
- Eliminates a $500 application fee for an industrial water pollution control certificate that applied to industrial water pollution control facilities under law in effect until June 26, 2003.

Public water supply system fees

- Authorizes the OEPA Director to adopt rules to allow the current administrative service fee that political subdivisions or investor-owned public utilities pay that enter into certain connection or distribution agreements with OEPA to be charged to any entity applying for a public water supply system plan approval for either of the following:
  - Extensions of distribution facilities; or
  - Increases in the number of service connections.
- Specifies that the administrative service fee would be paid in lieu of the $150 + 0.35% of the estimated project cost fee that is currently charged to those entities.

Solid waste or infectious waste treatment facility permit notification

- Allows the OEPA Director to give notification of the public hearing regarding a solid waste facility permit application or infectious waste treatment facility permit application either via newspaper publication or publication on the OEPA website, instead of only in a newspaper as in current law.

E-Check

E-Check extension

- Extends the motor vehicle inspection and maintenance program (E-Check) in the counties where this program is currently implemented by authorizing the OEPA Director to request the DAS Director to extend the existing contract with the contractor that conducts the program beginning July 1, 2025, for a period of up to 24 months until June 30, 2027.
- Requires a decentralized E-Check contract to achieve "an equivalent amount of emissions reductions" as the centralized program authorized by the contract specified above, rather than "at least the same emissions reductions" as the centralized contract as in current law.
- Requires the OEPA Director, if USEPA determines that the E-check program is not necessary for Ohio or any area of Ohio to comply with the federal Clean Air Act, to immediately discontinue the program and take any actions necessary to effectuate its termination.

E-check review and report

- Requires the OEPA Director to conduct a review to assess whether the current E-check program is necessary and to evaluate the impact of weather patterns over northeast Ohio on emissions and air quality.
- Requires the OEPA Director, within 18 months of the bill's effective date, to do all of the following:
  - Compile the findings of the review into a report;
  - Submit the report to the General Assembly; and
  - Make the report available to the public on OEPA's website.

Title V and synthetic minor adjacent facilities

- Prohibits the OEPA Director from requiring a single Title V (air pollution control) permit or a single synthetic minor facility operating (PTIO) permit for adjacent facilities owned and operated by the same person, if both of the following apply:
  - At least one of the adjacent facilities is involved in aerospace manufacturing or rework that is subject to emission standards set forth in O.A.C. 3745-21-19; and
  - The adjacent facilities are or will be located in a county with a population between 390,000 and 395,000 (which currently applies to Butler County).
- Requires the Director to issue a variance from any law, rule, or policy requiring adjacent facilities to operate under a single Title V permit or a single synthetic minor facility PTIO permit.

Community air monitoring

- Establishes requirements governing community air monitoring.

- Generally prohibits the OEPA Director from doing either of the following:
  - Imposing community air monitoring on an air contaminant source owner or air operator, unless otherwise agreed to by the owner or air operator and the Director; or
  - Requiring an applicant for a permit for an air contaminant source to conduct community air monitoring prior to the issuance or renewal of a permit or a variance, except pursuant to federal requirements.
- Prohibits data produced from community air monitoring from being used as evidence, or disclosed or disseminated by the EPA, a local air pollution control authority, or any person, to support either of the following:
  - A fine, penalty, or notice of violation against any person for violations of or noncompliance with any federal or state air pollution regulation; or
  - An administrative, regulatory, or judicial enforcement action, lawsuit, or proceeding for violations of or noncompliance with any federal or state air pollution regulation.
- Generally prohibits data produced from community air monitoring from being considered or relied upon by OEPA or a local air pollution control authority in any rulemaking action, or in any action relating to the issuance of an installation permit or operating permit.

Environmental fees

(R.C. 3745.11, 3734.57, and 3734.901)

The bill extends the period of validity for various OEPA-administered fees that remain largely unchanged under the laws governing air pollution control, water pollution control, safe drinking water, and scrap tires. The following table sets forth each fee, its purposes, the time period OEPA is authorized to charge the fee under current law and the bill:

Type of fee	Description	Fee period under current law	Fee change under the bill
Synthetic minor facility: emission fee	Each person who owns or operates a synthetic minor facility must pay an annual fee in accordance with a fee schedule that is based on the sum of the actual annual emissions from the facility of particulate matter, sulfur dioxide, nitrogen dioxide, organic compounds, and lead. A synthetic minor facility is a facility for which one or more permits to install or permits to operate have	The fee is required to be paid through June 30, 2026.	The bill extends the fee through June 30, 2028, and adds an additional annual fee, through June 30, 2028, in an amount as follows: $5,000 x the total tons of regulated pollutants emitted from the facility in the previous calendar year ÷ 100.

Type of fee	Description	Fee period under current law	Fee change under the bill
	been issued for the air contaminant source at the facility that include terms and conditions that lower the facility's potential to emit air contaminants below the major source (Title V) thresholds established in rules.		
Wastewater treatment works: plan approval application fee	A person applying for a plan approval for a wastewater treatment works is required to pay one of the following fees depending on the date: ▪ A tier one fee of $100 plus 0.65% of the estimated project cost, up to a maximum of $15,000; or ▪ A tier two fee of $100 plus 0.2% of the estimated project cost, up to a maximum of $5,000.	An applicant is required to pay the tier one fee through June 30, 2026, and the tier two fee on and after July 1, 2026.	The bill extends the tier one fee through June 30, 2028; the tier two fee begins on or after July 1, 2028.
Discharge fees for holders of NPDES permits	Each NPDES permit holder that is a public discharger or an industrial discharger with an average daily discharge flow of 5,000 or more gallons per day must pay an annual discharge fee based on the average daily discharge flow. There is a separate fee schedule for public and industrial dischargers.	The fees are due by January 30, 2024, and January 30, 2025.	The bill extends the fees and the fee schedules to January 30, 2026, and January 30, 2027.
Surcharge for major industrial dischargers	A holder of an NPDES permit that is a major industrial discharger must pay an annual surcharge of $7,500.	The surcharge is required to be paid by January 30, 2024, and January 30, 2025.	The bill extends the surcharge to January 30, 2026, and January 30, 2027.

Type of fee	Description	Fee period under current law	Fee change under the bill
Discharge fee for specified exempt dischargers	One category of public discharger and eight categories of industrial dischargers that are NPDES permit holders are exempt from the annual discharge fees that are based on average daily discharge flow. Instead, they are required to pay an annual discharge fee of $180.	The fee is due by January 30, 2024, and January 30, 2025.	The bill extends the fee to January 30, 2026, and January 30, 2027.
License fee for public water system license	A person is prohibited from operating or maintaining a public water system without an annual license from OEPA. Applications for initial licenses or license renewals must be accompanied by a fee, which is calculated using schedules for the three basic categories of public water systems.	The fee for an initial license or a license renewal applies through June 30, 2026, and is required to be paid annually in January.	The bill extends the initial license and license renewal fee through June 30, 2028.
Fee for plan approval to construct, install, or modify a public water system	Anyone who intends to construct, install, or modify a public water supply system must obtain approval of the plans from OEPA. The fee for the plan approval is $150 plus 0.35% of the estimated project cost. However, continuing law sets a cap on the fee.	The cap on the fee is $20,000 through June 30, 2026, and $15,000 on and after July 1, 2026.	The bill extends the $20,000 cap through June 30, 2028; the $15,000 cap applies on and after July 1, 2028.
Fee on state certification of laboratories and laboratory personnel	In accordance with two schedules, OEPA charges a fee for evaluating certain laboratories and laboratory personnel. An additional provision states that an individual laboratory cannot be assessed a fee more than once in a three-year period unless the person requests the addition of analytical methods or analysts, in which case the person must pay $500 for each additional survey requested.	The schedule with higher fees applies through June 30, 2026, and the schedule with lower fees applies on and after July 1, 2026. The $500 additional fee applied through June 30, 2026.	The bill extends the higher fee schedule through June 30, 2028; the lower fee schedule applies on and after July 1, 2028. The bill extends the additional fee through June 30, 2028.

Type of fee	Description	Fee period under current law	Fee change under the bill
Fee for examination for certification as an operator of a water supply system or wastewater system	A person applying to OEPA to take an examination for certification as an operator of a water supply system or a wastewater system (class A and classes I-IV) must pay a fee at the time an application is submitted in accordance with a statutory schedule.	A schedule with higher fees applies through November 30, 2026, and a schedule with lower fees applies on and after December 1, 2026.	The bill extends the higher fee schedule through November 30, 2028; the lower fee schedule applies on and after December 1, 2028.
Application fee for a permit (other than an NPDES permit), variance, or plan approval	A person applying for a permit (other than an NPDES permit), a variance, or plan approval under the Safe Drinking Water Law or the Water Pollution Control Law must pay a nonrefundable fee.	If the application is submitted through June 30, 2026, the fee is $100. The fee is $15 for an application submitted on or after July 1, 2026.	The bill extends the $100 fee through June 30, 2028; the $15 fee applies on and after July 1, 2028.
Application fee for an NPDES permit (S)(1)(b)(i)	A person applying for an NPDES permit must pay a nonrefundable application fee.	If the application is submitted through June 30, 2026, the fee is $200. The fee is $15 for an application submitted on or after July 1, 2026.	The bill extends the $200 fee through June 30, 2028; the $14 fee applies on and after July 1, 2028.
Fees on the sale of tires	A base fee of 50¢ per tire is levied on the sale of tires to assist in the cleanup of scrap tires. An additional fee of 50¢ per tire is levied to assist soil and water conservation districts.	Both fees are scheduled to sunset on June 30, 2026.	The bill extends the 50¢ fee that is used to assist in the cleanup of scrap tires through June 30, 2028. It extends the additional 50¢ fee that is used to assist soil and water conservation districts through June 30, 2041.

The bill also extends, for an additional two years, the period of validity for the fees levied on the transfer and disposal of solid waste. Under current law, all existing solid waste transfer

and disposal fees are scheduled to sunset on June 30, 2026. The bill extends these fees through June 30, 2028.

Additional air pollution control fee increases

(R.C. 3745.11)

The bill increases, by 50%, the fees related to OEPA's air pollution control program, specifically for permits to install. It also creates an additional annual fee charged to Title V air pollution control permit holders in addition to the existing emission-based annual fees. That additional fee equals $5,000 x the total tons of regulated pollutants emitted from the air contaminant source in the previous calendar year ÷ 100.

Infectious waste generator fee

(R.C. 3745.021)

The bill eliminates the $140 infectious waste generator registration application and renewal fee. Under current law, each generator of 50 pounds or more of infectious waste in any one month must register with OEPA.

Industrial water pollution control facility certificate

(R.C. 3745.11(P); conforming changes in R.C. 3734.05, 3734.79, 5709.212, 6111.01, and 6111.04)

The bill eliminates the application fee of 0.5% of the total exempt facility project costs, not to exceed $2,000, for an industrial water pollution control facility that files for a certificate to exempt the facility from certain taxes. Additionally, it eliminates a $500 application fee for an industrial water pollution control certificate that applied to industrial water pollution control facilities under law in effect until June 26, 2003.

Public water supply system fees

(R.C. 3745.11(N))

The bill authorizes the OEPA Director to adopt rules allowing the current administrative service fee that political subdivisions or investor-owned public utilities pay that enter into certain connection or distribution agreements with OEPA[74] to be charged to any entity applying for a public water supply system plan approval for either of the following:

1. Extensions of distribution facilities; or

2. Increases in the number of service connections.

It also specifies that the administrative service fee must be paid in lieu of the $150 + 0.35% of the estimated project cost fee that is currently charged to those entities.

[74] See R.C. 6109.07(A)(2), not in the bill.

Waste facility permit notification

(R.C. 3734.05)

The bill allows the OEPA Director to give notification of the required public hearing regarding a solid waste facility permit application or infectious waste treatment facility permit application either via newspaper publication or publication on the OEPA website. Current law permits notification only in a newspaper.

E-Check

E-Check extension

(R.C. 3704.14)

The bill continues the operation of the motor vehicle inspection and maintenance program (E-Check) in the seven counties in which it currently operates (Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit). It does so by authorizing the OEPA Director to request the Director of Administrative Services (DAS Director) to extend the existing contract (with the contractor that conducts the program) beginning July 1, 2025, for a period of up to 24 months.

Existing law requires the OEPA Director to request the DAS Director to enter into a contract with a vendor to operate a decentralized E-Check program through June 30, 2027, with an option to renew the contract for a period of up to 24 months through June 30, 2029. The bill, however, eliminates the option for the state to renew the contract for a period of up to 24 months through June 30, 2029.

It also changes the existing law requirement that the contract ensure that the decentralized E-Check program achieve *at least the same* emission reductions as a contract with the contractor that conducts the centralized program. It instead specifies that the decentralized contract ensures *an equivalent amount of* emissions reductions as the centralized contract.

Additionally, the bill requires the OEPA Director, if USEPA determines that the E-check program is not necessary for Ohio or any area of Ohio to comply with the federal Clean Air Act, to immediately discontinue the program and take any actions necessary to effectuate its termination.

E-Check review and report

(Section 737.10)

The bill requires the OEPA Director to conduct a review to assess whether the current E-check program is necessary and to evaluate the impact of weather patterns over northeast Ohio on emissions and air quality. The Director must include all of the following in the review:

1. A determination of the necessity of the program;

2. An evaluation of whether each county that is subject to the program during the prior calendar year has achieved, and has the ability to maintain, compliance with federal ozone standards without implementation of the program in that county;

3. An analysis of whether a revision to Ohio's state implementation plan could be submitted to USEPA to discontinue the program while maintaining compliance with national ambient air quality standards (and if so, the OEPA Director must formally submit a request to USEPA for reconsideration of the program's implementation in affected regions);

4. After proper monitoring, an analysis of weather patterns over northeast Ohio and the entire great lakes region with respect to how those patterns impact ozone levels, air circulation, and overall emissions; and

5. Any potential alternative measures for maintaining air quality if the program is altered or discontinued.

Within 18 months after the bill's effective date, the Director must compile the findings of the review into a report. The Director must submit the report to the General Assembly and make the report available to the public on its website.

Title V and synthetic minor adjacent facilities

(R.C. 3704.011)

The bill prohibits the OEPA Director from requiring a single Title V (air pollution control) permit or a single synthetic minor facility operating (PTIO) permit for adjacent facilities owned and operated by the same person, if both of the following apply:

1. At least one of the adjacent facilities is involved in aerospace manufacturing or rework that is subject to emission standards set forth in rules in O.A.C. 3745-21-19; and

2. The adjacent facilities are or will be located in a county with a population between 390,000 and 395,000 (which currently applies to Butler County).

A synthetic minor facility is a facility that contains air contaminant sources, but the terms and conditions of the facility's PTIO lower the facility's potential to emit air contaminants below the major thresholds (Title V) established by OEPA and approved by USEPA.

The OEPA Director must issue a variance from any law, rule, or policy requiring adjacent facilities to operate under a single Title V permit or a single synthetic minor facility PTIO permit.

Community air monitoring

(R.C. 3704.01, 3704.03, 3704.031, 3704.09, 3704.111, and 3704.112)

The bill establishes requirements governing community air monitoring, which is any measurement or quantification of emissions or ambient air concentrations of an air contaminant other than via monitoring stations and monitors installed and operated in accordance with state or federal law. For sources where no specific monitoring requirement is otherwise specified in law, it prohibits the OEPA Director from imposing community air monitoring on an air contaminant source owner or air operator, unless otherwise agreed to by the owner or air operator and the Director.

It also prohibits the Director from requiring an applicant for a permit for an air contaminant source to conduct community air monitoring prior to the issuance or renewal of a permit or a variance, except pursuant to federal requirements.

Under the bill, OEPA, a local air pollution control authority, or any other person cannot use as evidence, disclose, or disseminate data produced from community air monitoring to support either of the following:

1. A fine, penalty, or notice of violation against any person for violations of or noncompliance with any federal or state air pollution regulation; or

2. An administrative, regulatory, or judicial enforcement action, lawsuit, or proceeding for violations of or noncompliance with any federal or state air pollution regulation.

Additionally, the bill prohibits data produced from community air monitoring from being considered or relied upon by OEPA or a local air pollution control authority in any rulemaking action, or in any action relating to the issuance of an installation permit or operating permit, unless such consideration or reliance is requested by the air contaminant source owner or operator.

FACILITIES CONSTRUCTION COMMISSION

School facilities assistance programs

Classroom Facilities Assistance Program

- Requires the calculation of a school district's share for a Classroom Facilities Assistance Program project to be based solely on the required percentage based on the district's equity ranking.
- Requires a district that opts to segment its classroom facilities needs to calculate the required percentage based on equity ranking on the date the Controlling Board approves the first segment for both that segment and future segments.

Vocational School Facilities Assistance Program

- Permits the Facilities Construction Commission (FCC) to set aside a portion of its school facilities funds each biennium to assist at least two joint vocational school districts.

CTPD Construction Study Committee

- Establishes the Career-Technical Planning District Construction Study Committee to examine and make recommendations for creating an equitable and sustained funding model to build, renovate, and maintain career-technical education facilities.
- Requires the committee to submit a report of its findings and recommendations by June 30, 2026, to the Governor and General Assembly.

Major sports facilities funding

Sports facilities definitions

- Defines the following terms for the purpose of major sports facilities in Ohio:
  - "Major sports facility" means a facility designed for the use of a professional sports franchise from certain major sports leagues, the construction of which costs at least $1 billion.
  - "Transformational major sports facility mixed-use project" means a mixed-use project that includes the construction of a major sports facility, and integrates retail, residential, recreational, or other uses.
  - "Transformational major sports facility mixed-use project district" means the geographic area encompassing the land upon which the transformational major sports facility mixed-use project is located.
  - "Base professional sports franchise state tax revenues" means a fixed dollar amount equal to all state tax revenues generated pursuant to state income, sales, and CAT taxes that are attributable to the professional sports franchise's operations at existing facilities in Ohio.

- "Total major sports facility mixed-use project district state tax revenues" means the total aggregate state tax revenue generated in the territory of a transformational major sports facility mixed-use project district.
- "Incremental major sports facility mixed-use project district state tax revenues" means the amount of state tax revenues received by the state, subtracting base professional sports franchise state tax revenues from total major sports facility mixed-use project district state tax revenues in a calendar year.

State funding of major sports facilities

- Permits state funds to be used to pay or reimburse up to 30% the costs of a major sports facility if certain criteria are met, including a contribution of at least 50% of the costs from the professional sports franchise that plans to use the facility.
- Permits state bond proceeds to be used if certain additional conditions are met, requiring that the amount of increased state tax revenues are projected to be in excess of the total debt service of the state bonds for their initial term of 25 years.
- Creates the Major Sports Facility District Fund, into which the TOS must deposit the total major sports facility mixed-use project district state tax revenues, to be used to pay debt service on state bond proceeds.
- If state bond proceeds are being used for the major sports facility, requires the professional sports franchise to deposit an amount equal to 8⅓% of the award into an escrow account, to be used to pay any deficits between tax revenues collected and the total bond amount, after the bonds are matured, or if the lease expires.
- Permits the OBM Director to transfer funds from the Major Sports Facility District Fund to the Ohio Cultural Facilities Bond Service Fund, which the bill also creates, to be held as trust funds pledged to the payment of bond service charges.

Tax reporting requirements

- Requires the governmental agency that owns or has an ownership interest in the major sports facility or its site to provide to TAX, monthly, a list of persons generating tax revenues in the territory of a transformational major sports facility mixed-use project district, including persons purchasing or leasing materials and items used in construction.
- Requires every person who owns real property in a project district to file taxes and register for a separate withholding account, remitting the wages and salaries withheld from employees for activities performed in the territory of a project district separately from all income taxes withheld by such employer.
- Requires persons that collect transformational major sports facility mixed-use project district tax revenues to report those tax revenues separately from other tax revenues in the state, on forms provided by TAX, including estimated payments on corporate income taxes and gross revenues generated from the district.

Rulemaking

- Requires FCC, in consultation with TAX and OBM, to adopt rules that establish criteria for project evaluation and other necessary rules.

Municipal-designated districts

- Permits the legislative authorities of certain large municipal corporations to declare one area of the municipal corporation to be a transformational major sports facility mixed-use project district if certain conditions are met.
- Requires a legislative authority to certify the resolution or ordinance creating or enlarging the district to the Tax Commissioner within five days of its passage or adoption, along with a description of district boundaries.
- Requires each real property owner, lessee, licensee, user, or operator in the proposed district to provide to the governmental agency that owns or has an ownership interest in a major sports facility or its site with certain tax information.
- Requires the fiscal officer of the municipal corporation, each January and July, to certify to the Tax Commissioner a list of businesses located within the transformational major sports facility mixed-use project district.

Authorization to issue and sell bonds

- Authorizes the TOS to issue and sell bonds in the amount of up to $600 million deposited to the credit of the Cultural and Sports Facilities Building Fund (Fund 7030) to pay the costs of the Cleveland Browns major sports facility stadium project in the City of Brook Park, Ohio.

Public improvements contracts

Electronic notices, advertisements, and filings

- Requires several types of notices or advertisements to be sent via electronic media.
- Requires FCC to make copies of the plans, details, estimates of cost, and specifications available electronically.
- Removes the requirement that a public authority file a notice of commencement of a public improvement in affidavit form.
- Permits a bidder for most contracts with the state or a political subdivision to file a bid guaranty by electronic verification through an electronic verification and security system, if the state or political subdivision accepts bids electronically.

Declaration of exigency

- Requires that, when the FCC Executive Director issues a declaration of public exigency at the request of a state agency, the director of the state agency, at the determination of the FCC Executive Director, must enter into a contract with the proper persons to address the exigency.

Building information modeling systems

- For public works contracts of $200,000 or more, permits a public authority to require an architect or engineer, in preparing plans, details, specifications, estimates, analyses, or other data, to use a building information model system, if the system is based on a nationally recognized standard for building information models.
- Defines "building information model" as a digital representation of physical and functional characteristics of a facility, and electronic files used to design and coordinate the project, whether it is a single model or multiple models used in the aggregate.

Public improvements contracts retainage and escrow

- For partial payments on a public improvements contract, decreases the public authority's required retainage amount from 8% of the contractor's estimate to 4% or less, but repeals a provision requiring the public authority to retain 0% after the job is 50% completed.
- Prohibits contractors from paying subcontractors at a retainage rate lower than the rate being paid to the contractor by the public authority.
- Repeals provisions of law requiring the public authority to deposit the retained amount in an escrow account.
- Clarifies that retained funds and the interest accrued by the funds is property of the contractor, and must be paid to the contractor not later than 30 days after the substantial completion of the work.

Integrated project delivery contracts

- Permits public authorities to enter into integrated project delivery contracts with integrated project contractors for capital projects, using selection and evaluation processes similar to existing design-build firm and professional design services contracts.

Application, evaluation, selection, and negotiation

- Requires public authorities, for integrated project delivery contracts, to evaluate and rank each applicant contractor, considering each contractor's proposed costs and qualifications, and enter into contract negotiations for integrated project delivery services with the highest ranked contactor.
- Requires the public authority, if it fails to negotiate a contract with the highest ranked contractor, to terminate the negotiations and move on to the second highest ranked contractor, and if that fails, the third, and so forth.
- Permits the public authority, if these subsequent negotiations fail, to select additional integrated project contractors to provide pricing proposals, or select an alternative delivery method for the project.

Project requirements

- Requires the integrated project contractor, before construction begins, to provide a surety bond to the public authority in accordance with rules adopted by the FCC Executive Director.
- Exempts integrated project delivery contracts from certain existing processes and requirements for capital contracts, replacing them with the bill's procedures.
- Requires integrated project contractors to establish criteria to prequalify prospective bidders on subcontracts, subject to the approval of the public authority and consistent with FCC rules.
- Requires the integrated project contractor to identify at least three prospective prequalified bidders (unless less than three exist), verified by the public authority, then solicit proposals from each bidder, under an open book pricing method.
- Clarifies that an integrated project contractor is not required to award a subcontract to a low bidder.
- Requires FCC to adopt rules related to integrated project contractors and subcontractors.

Expedited processes for design-build firms and managers at risk

- For contracts between public authorities and construction managers at risk or design-build firms, creates an expedited proposal and selection process for projects under $4 million, adjusted biannually for the rate of inflation by FCC.
- Permits construction managers at risk or design-build firms, for contracts under $4 million, to submit both an initial qualification proposal or statement along with a pricing proposal, instead of sending them in separate rounds.
- Requires the public authority to have a pre-proposal meeting with any such contractors who desire to jointly submit a statement or proposal and pricing proposal.
- Exempts these contractors from the requirement to submit a sealed bid to self-perform a portion of work before accepting opening any bids for the same work when the public authority requests a guaranteed maximum price proposal due at the time of selection.

School facilities assistance programs

Classroom Facilities Assistance Program

(R.C. 3318.032)

The bill changes the calculation of the portion of the basic project cost a school district must supply for its Classroom Facilities Assistance Program (CFAP) project from the greater of either the required percentage based on its equity ranking or an amount necessary to raise the school district's net bonded indebtedness to a prescribed level, to just the required percentage based on its equity ranking.

It also requires a district that opts to segment its classroom facilities needs the required percentage based on its equity ranking on the date the Controlling Board approves the first segment for both that segment and future segments.

Vocational school facilities assistance program

(R.C. 3318.40 and 3318.12)

The bill changes how the Facilities Construction Commission (FCC) allocates funding for the Vocational School Facilities Assistance Program. Specifically, it eliminates FCC's authority to annually set aside up to 2% of its aggregate funds to provide school facilities assistance to joint vocational school districts (JVSDs). Instead, the bill permits FCC to set aside a portion of its aggregate school facilities assistance funds each biennium to assist at least two JVSDs.

CTPD Construction Study Committee

(Section 733.50)

The bill establishes the Career-Technical Planning District Construction Study Committee to examine and make recommendations for creating an equitable and sustained funding model within FCC for career-technical planning district (CTPD) lead districts to build, renovate, and maintain career-technical education facilities.

The committee must consist of:

1. Two representatives from joint vocational school districts appointed by the Ohio Association of Career-Technical Superintendents;

2. Two representatives from comprehensive or compact career-technical districts appointed by the Ohio Association of Comprehensive and Compact Career-Technical Schools;

3. Two representatives from CTPD lead districts appointed by the Ohio Association for Career and Technical Education;

4. One representative from FCC;

5. One representative from the Governor's Office of Workforce Transformation;

6. One member of the Senate, appointed by the Senate President;

7. One member of the House, appointed by the Speaker.

The committee must:

1. Assess FCC's facilities funding regulations and processes for joint vocational comprehensive, and compact career-technical district and compare the processes for those of Ohio's K through 12 school facilities;

2. Identify barriers to flexibility for career-technical education facilities construction and renovation and propose solutions to mitigate those barriers;

3. Evaluate best practices in other states and jurisdictions that allow for greater flexibility for career-technical education facilities construction and renovation related to workforce development; and

4. Make recommendations for policy changes, funding mechanisms, and resources to enhance funding opportunities for career-technical education facilities construction projects, including a dedicated funding stream for career-technical education facilities.

The bill requires the committee to convene at least quarterly or as needed. FCC must provide administrative support to the committee. The committee must issue a comprehensive report on its findings and recommendations to the Governor and the General Assembly by June 30, 2026. The committee terminates when it submits its report.

Background

Several programs provide state assistance to school districts and other public schools in constructing classroom facilities. The main program, CFAP, is a graduated, cost-sharing program that provides each city, local, and exempted village school district with partial funding to address all of its classroom facilities needs. Because priority for state funding is based on a district's relative wealth, poorer districts were served first and received a greater amount of state assistance than wealthier districts will receive when it is their turn to be served. Each year, all districts are ranked into percentiles according to the three-year average adjusted tax valuations per pupil. A school district may divide the district's entire classroom facilities project under CFAP into discrete segments.

JVSDs are served by a similar program, the Vocational School Facilities Assistance Program. Other programs address the needs of particular types of districts and schools. Generally, they all operate on a cost-sharing basis.

Major sports facilities funding

(R.C. 123.28, 123.281, and 715.016; Section 287.80)

The bill creates the Major Sports Facility District Fund, to be administered by FCC, the proceeds of which must be used to support construction of major sports facilities in counties with a population of at least 1 million people, for the economic benefit of the state. The bill permits the use of state funds to pay up to 30% of the costs of a major sports facility, as long as certain conditions are met.

The bill authorizes the Treasurer of State (TOS) to issue and sell bonds in the amount of up to $600 million, deposited to the credit of the Cultural and Sports Facilities Building Fund (Fund 7030) to pay the costs of the Cleveland Browns major sports facility stadium project in the City of Brook Park, Ohio, in Cuyahoga County.

Sports facilities definitions

The bill defines a "major sports facility" as a sports facility that meets the following criteria:

- The facility's primary purpose is to provide a site or venue for the presentation of events of a professional sports franchise that is committed to playing a majority of the franchise's home games at the sports facility for a period of at least 30 years after completion of the construction of the sports facility.

- The initial total estimated construction cost, excluding any site acquisition cost, is greater than $1 billion.

A "professional sports franchise" is a member of the National Football League, Women's National Football Conference, Women's Football Alliance, Women's Football League Association, National Hockey League, Professional Women's Hockey League, Major League Baseball, Women's Professional Baseball League, Major League Soccer, National Women's Soccer League, National Basketball Association, Women's National Basketball Association, or a successor of such an entity.

A "transformational major sports facility mixed-use project" is a mixed-use project that includes the construction of a major sports facility; integrates some combination of retail, office, hotel, residential, recreation, structured parking, or other similar uses into one or more mixed-use developments; has secured project funding from sources other than state funds of at least 60% of the total project cost; and is expected to generate increased state sales tax revenues.

A major sports facility mixed-use project also may include:

- Other projects supporting or relating to the major sports facility or the professional sports franchise, including portions of the project located on parcels of property that are noncontiguous with the primary site of the major sports facility mixed-use project, if the property is within Ohio, under the control of the professional sports franchise or the franchise's affiliated entities or joint venture partners, and is within a ten-mile radius of the major sports facility;
- Any mixed-use project adjacent or relating to practice facilities for the professional sports franchise;
- Conference centers, concert, or other entertainment venues and facilities;
- Retail, food, restaurant, and beverage facilities, whether fixed or mobile;
- Parks and other public open spaces or facilities;
- Related on-site infrastructure necessary or desirable for all these elements for the major sports facility mixed-use project.

A "transformational major sports facility mixed-use project district" is the geographic area encompassing the land upon which the transformational major sports facility mixed-use project is located, as designated by a municipal corporation.

Major sports facility tax revenue definitions

The bill creates tax reporting requirements by which increased tax revenues of the major sports facility mixed-use project district may be measured.

First, the "base professional sports franchise state tax revenue" is calculated. It measures how much income, sales, and CAT tax revenue the professional sports franchise currently generates in its existing facilities. It is calculated by the Tax Commissioner in the calendar year occurring immediately before the calendar year in which the professional sports franchise plays its initial regular season home game in the new major sports facility.

Then, the "total major sports facility mixed-use project district state tax revenues" is calculated by determining the total aggregate state tax revenue generated in the territory of a transformational major sports facility mixed-use project district, including state tax revenues attributable to purchasing or leasing materials and items used in construction in the territory of a transformational major sports facility mixed-use project district, in a calendar year during the initial term of the applicable major sports facility lease.

The "incremental major sports facility mixed-use project district state tax revenues" is determined by subtracting base professional sports franchise state tax revenues from total major sports facility mixed-use project district state tax revenues in a calendar year, beginning with the calendar year in which the professional sports franchise plays its initial regular season home game in the major sports facility.

Finally, the "total incremental major sports facility mixed-use project district state tax revenues" is the sum of both of the total aggregate incremental major sports facility mixed-use district state tax revenues during the initial term of the applicable major sports facility lease, and the total major sports facility mixed-use project district tax revenues received in the calendar years before the calendar year in which the professional sports franchise plays its initial regular season home game in the major sports facility.

A "major sports facility lease" is the lease or other agreement held by the professional sports franchise for the use of the major sports facility, the site of the major sports facility, or both.

State funding of major sports facilities

The bill permits state funds to be used to pay or reimburse up to 30% of the costs of a major sports facility if the following criteria are met:

- The major sports facility upon completion will be a part of a transformational major sports facility mixed-use project;
- FCC has received a satisfactory financial and development plan, including provision of 70% of the total initial estimated construction cost from sources other than the state, with at least 50% of the total from the professional sports franchise that plans to use the facility; and
- The General Assembly has specifically authorized, or appropriated money for, the construction of the major sports facility;

If state bond proceeds are being used, the following additional conditions must be met:

- The amount of increased state tax revenues is projected to be in excess of the total debt service of the state bonds for their initial term;
- The state or a state agency owns or has sufficient property interests in the major sports facility, which may include the right to use the major sports facility for the presentation of sport and athletic events to the public;
- The bonds have a maturity of not less than 25 years.

If state bond proceeds are being used for the major sports facility, TOS must deposit the total major sports facility mixed-use project district state tax revenues into the Major Sports Facility District Fund, which the bill creates for the deposit of sales, income, and CAT tax revenues attributable to the major sports facility mixed-use project district, to be used to pay debt service.

Additionally, if state bond proceeds are being used for the major sports facility, the professional sports franchise must deposit an amount equal to 8⅓% of the award into an escrow account, to be used to pay any deficits between tax revenues collected and the total bond amount, after the bonds are matured, or if the lease expires.

The bill permits the OBM Director to transfer funds from the Major Sports Facility District Fund to the Ohio Cultural Facilities Bond Service Fund, which the bill also creates, to be held as trust funds pledged to the payment of bond service charges.

Tax reporting requirements

The bill requires the governmental agency that owns or has an ownership interest in the major sports facility or its site to provide to TAX, monthly, a list of persons, including names and Social Security numbers, generating tax revenues in the territory of a transformational major sports facility mixed-use project district, including persons purchasing or leasing materials and items used in construction.

Every person who owns real property in a project district, or leases, licenses, uses, or operates all or a portion of a building or facilities in the project district, is subject to special reporting requirements as the governmental entity may require, in order to make the monthly report to TAX. These may be evidenced by an instrument duly recorded with the county recorder.

Each person doing business in a project district must file taxes and register for a separate withholding account, remitting the wages and salaries withheld from employees for activities performed in the territory of a project district separately from all income taxes withheld by the employer. If they collect transformational major sports facility mixed-use project district tax revenues, they must report those tax revenues separately from other tax revenues in Ohio, on forms provided by TAX, including estimated payments on corporate income taxes and gross revenues generated from the district. This includes tax revenues from construction or transactions in the territory of a project district, estimated payments for corporate income taxes generated from the project district, information regarding gross revenues generated from activities in the project district and gross revenues from all activities in Ohio, and payments to independent contractors attributable to construction or transactions in the territory of a project district, by January 31 of each year.

TAX must promulgate the forms necessary to implement and administer these requirements. The Tax Commissioner can disclose to the governmental agency taxpayer information regarding transactions, real or personal property, income, or business of any person as necessary to administer these provisions.

Rulemaking

The bill requires FCC, in consultation with TAX and OBM, to adopt rules that establish criteria for project evaluation and other necessary rules.

Municipal-designated districts

The bill permits the legislative authority of a municipal corporation located in a county with a population greater than 1,000,000 to declare one and only one area of the municipal corporation to be a transformational major sports facility mixed-use project district, and a public purpose, for the purpose of fostering and developing a major sports facility and economic development, if the following conditions are met:

- All territory in the district is contiguous;
- The legislative authority holds at least two public hearings concerning the creation of the district;
- The legislative authority receives a petition signed by every owner of a parcel of real property located in the proposed district, and the owner of every business that operates in the proposed district;
- The legislative authority determines that a transformational major sports facility mixed-use project will be located on the territory of the proposed district.

The legislative authority must certify the resolution or ordinance creating the district to the Tax Commissioner within five days of its passage or adoption, along with a description of district boundaries.

The legislative authority may enlarge the territory of an existing transformational major sports facility mixed-use project district in the same manner, except that the petition must be signed by every real property owner located in the area proposed to be added to the district.

Each real property owner in the proposed district must provide, or cause lessees, licensees, users, or operators to provide, to the governmental agency that owns or has an ownership interest in a major sports facility or its site, with the tax information which the governmental agency is required to report to the Tax Commissioner (see "**Tax reporting requirements**," above). This may be evidenced by filing an instrument with the county recorder.

The fiscal officer of the municipal corporation, each January and July, must certify to the Tax Commissioner a list of businesses located within the transformational major sports facility mixed-use project district.

Public improvements contracts

Electronic notices, advertisements, and filings

(R.C. 9.312, 9.331, 153.07, 153.09, 153.54, and 1311.252)

The bill requires certain notices, advertisements, and filings to be made via electronic media, rather than through various physical media like newspapers.

Competitive bidding notices

For contracts let by competitive bidding, when a state agency or political subdivision finds that a low bidder is not responsive or responsible, the bill requires the state agency or political

subdivision to send the bidder a notice in writing by an internet identifier of record associated with the bidder (such as an email address), and by certified mail only if an electronic method is not available. Current law permits either method.

Public improvements notices and advertisements

For contracts to employ a construction manager or a construction manager at risk, the bill requires a public authority to advertise its intended contract by electronic means, and permits advertising in news media available in the county. Current law requires advertisement in a newspaper of general circulation, and permits electronic advertisement.

The bill requires the notice to be published at least 14 calendar days in advance, rather than 30 days.

For public improvements contracts, the bill requires the public authority to give notice of the time and place where bids will be received by electronic means at least 14 days in advance, and permits the authority to publish the notice in other news media in the county where the work is to occur. Current law requires publication in a newspaper at least eight days in advance.

The bill also requires plans, details, estimates of cost, and specifications to be available electronically.

When the public authority rejects all bids and re-advertises, the bill requires the advertisement to be in electronic media, rather than newspaper, as FCC directs.

Notices of commencement

The bill removes the requirement that the notice of commencement be in affidavit form.

Under current law, before work on a public improvement contract may begin, the public authority must file a notice of commencement of the work in affidavit form, with details about the work to be performed, the contractor, the public authority, and the bid guaranty.

Bid guaranties

The bill permits a bidder for most contracts with the state or a political subdivision to file a bid guaranty in the form of an electronic verification through an electronic verification and security system, if the state or political subdivision accepts bids electronically. Continuing law also permits the bidder to file it in the form of a bond, certified check, cashier's check, or letter of credit. Under continuing law, this requirement does not apply to contracts with construction managers at risk and design build firms.

Declaration of exigency

(R.C. 123.10)

The bill requires the director of a state agency, when the FCC Executive Director issues a declaration of public exigency at the request of the state agency, and at the determination of the FCC Executive Director, to enter into a contract with the proper persons to address the exigency.

Continuing law permits the FCC Executive Director, upon the Director's own initiative or at the request of the director of a state agency, state institution of higher education, or state instrumentality, to issue a declaration of public exigency in the event of one of the following:

- An injury or obstruction that occurs in any public works of the state and that materially impairs its immediate use or places in jeopardy property adjacent to it;
- An immediate danger of such an injury or obstruction; or
- An injury or obstruction, or an immediate danger of an injury or obstruction, that occurs in any public works of the state and that materially impairs its immediate use or places in jeopardy property adjacent to it.

Current law requires the FCC Executive Director to enter into contracts with proper persons to alleviate or respond to the exigency.

The bill continues to require the FCC Executive Director to enter into these contracts when the FCC Executive Director issued the declaration of exigency at the Executive Director's own initiative. But the bill permits the FCC Executive Director, when the Executive Director issued the declaration at the request of one of the state bodies listed above, to require the state body to enter into the contract instead.

Building information modeling systems

(R.C. 153.01)

The bill permits a public authority, for public improvements contracts worth $200,000 or more, to require an architect or engineer, in preparing plans, details, specifications, estimates, analyses, or other data, to use a building information model system, if the system is based on a nationally recognized standard for building information models.

The bill defines a "building information model" as a digital representation of physical and functional characteristics of a facility, and electronic files used to design and coordinate the project, whether it is a single model or multiple models used in the aggregate.

Public improvements contracts retainage and escrow

(R.C. 153.12, 153.13, 153.14, and 153.63)

The bill makes changes to the process by which contractors are paid for completing public improvements contracts.

Under current law, the public authority must pay 92% of the contract price for labor performed before and up to the point when the job is 50% completed. After it is 50% completed, the public entity must pay 100% of the contract price during the remaining 50% of the project, and deposit the 8% that had been collected into an escrow account. When the major portion of the project is substantially completed and occupied, or in use, or otherwise accepted, the retained amount, with accumulated interest, is released from escrow and paid to the contractor within 30 days of completion of the contract.

The bill changes this process in the following ways: first, instead of 8% being retained for the first half of the contract, 4% or less is retained for the entirety of the contract. The total amount being retained is the same, and perhaps less if the public authority so chooses.

Second, the bill removes the escrow account provisions, instead merely specifying that the public authority must release the amount to the contractor upon, and within 30 days of,

substantial completion of the work. The bill clarifies that the retained funds and the accrued interest are the property of the contractor.

Finally, the bill prohibits contractors from paying subcontractors at a retainage rate lower than the rate paid to the contractor by the public authority. For instance, if FCC is paying a contractor at a retainage rate of 97% (withholding 3%), the contractor is not permitted to pay a subcontractor at a retainage rate of 96% (withholding 4%). In other words, the contractor may not retain more from a subcontract than is being retained from the contractor's contract.

Integrated project delivery contracts

(R.C. 153.01, 153.50, 153.502, 153.503, 153.65, and 153.695)

The bill permits public authorities to enter into integrated project delivery contracts with integrated project contractors for capital projects, using selection and evaluation processes similar to existing design-build firm and professional design services contracts.

Integrated project delivery definitions

An integrated project contract is a contract for integrated project delivery, which the bill defines as a method to deliver a capital project through a multi-party agreement, executed by at least three parties, among a team comprised of a public authority, a professional design firm, and an integrated project contractor, commencing at early design and continuing through to project completion.

An integrated project contractor is a person with the ability to plan, coordinate, manage, direct, and execute all phases of a capital project through integrated project delivery, including the construction, demolition, alteration, repair, or reconstruction of any public building, structure, or other improvement.

Application and evaluation

The bill requires public authorities to evaluate the statements of qualifications submitted by integrated project contractors, and select at least three of the most qualified firms, unless the public authority determines in writing that fewer than three qualified firms are available.

Then, the public authority must provide each selected contractor with each of the following:

- A description of the project and project delivery;
- A preliminary project schedule;
- A description of any preconstruction services;
- A description of a target price, including the estimated level of design on which such target price is based;
- The form of the integrated project delivery contract, which must define target price, schedule, and quality of the project, establish collaboration and decision making processes, and share risk by linking compensation and incentives to project outcomes;

- A request for a pricing proposal that must be divided into a preconstruction and integrated project delivery services fee, must include at least a list of key personnel and consultants for the project, and must include a preliminary project schedule.

The public authority then must evaluate the pricing proposal submitted by each firm, and may hold discussions with each firm about the scope and nature of the proposed services and potential technical approaches.

The public authority then ranks the selected firms based on the public authority's evaluation, considering the proposed costs and the firm's qualifications, and enters contract negotiations with the contractor whose pricing proposal is ranked highest.

Selection and negotiations

During negotiations, the public authority must ensure that the contractor and the public authority mutually understand the essential requirements involved in providing the required integrated project delivery construction services, the provisions for the use of contingency funds, and the terms of the contract, including terms related to the possible distribution of savings in the final costs of the project. The public authority must also ensure that the contractor will be able to provide the necessary personnel, equipment, and facilities to perform the integrated project services within the time required by the contract.

The public authority must use an open book pricing method to attempt to agree upon a procedure and schedule for determining a target price for the project, which must include the cost of all work, the cost of its general conditions, the contingency, and the fee payable to the contractor.

If the public authority fails to negotiate a contract with the highest ranked contractor, it must terminate the negotiations and inform the contractor in writing, and move on to the second highest ranked contractor, and if that fails, the third, and so forth. If these subsequent negotiations fail, the public authority may select additional integrated project contractors to provide pricing proposals, or select an alternative delivery method for the project.

Public authorities may accept or reject any proposals in whole or in part.

Project requirements

Before construction begins, the integrated project contractor must provide a surety bond to the public authority in accordance with rules adopted by the FCC Executive Director.

FCC must adopt rules setting procedures and criteria for determining the best value selection of an integrated project contractor, standards the contractor must follow, and the form of the contract, including multi-party contracts with a professional design firm, and subcontracts.

Additionally, the bill exempts integrated project delivery contracts from certain existing processes and requirements for capital contracts, replacing them with the bill's procedures.

Under continuing law, public authorities entering into public works contracts must prepare full and accurate plans, details to scale and full-sized, definite and complete specifications of the work to be performed, a full and accurate estimate of each item of expense and the aggregate cost of those items of expense, a life-cycle cost analysis, and further data as

may be required by FCC. They also are required to post separate bids for plumbing and gas fitting; steam and hot-water heating, ventilating apparatus, and steam-power plant; and electrical equipment. And under continuing law, contracts with construction managers at risk and design-build firms are exempted from these requirements.

Subcontractors

The bill requires integrated project contractors to establish criteria to prequalify prospective bidders on subcontracts, subject to the approval of the public authority and consistent with the rules adopted by FCC.

For subcontracts, the integrated project contractor must identify at least three prospective prequalified bidders (unless less than three exist), verified by the public authority, then solicit proposals from each bidder, under an open book pricing method. An integrated project contractor is not required to award a subcontract to a low bidder.

This mirrors existing provisions for construction managers at risk and design-build firms.

Expedited processes for design-build firms and managers at risk

(R.C. 9.334, 153.501, and 153.693)

The bill creates an expedited proposal and selection process for contracts between public authorities and construction managers at risk or design-build firms, for projects under $4 million, adjusted biannually for inflation by FCC, which number FCC must post on its website.

Under the expedited process, the construction managers at risk or design-build firms may submit both an initial qualification proposal or statement, respectively, and a pricing proposal in the same submission. Current law (and continuing law, in the case of contracts worth more than $4 million), requires the manager or firm to submit a proposal or statement, then for the public authority to rank and select at least three firms from the submissions, who then must submit a pricing proposal. After the proposal is submitted, the public authority must hold discussions with each applicant before making a final selection.

The bill permits these contractors to submit both at once for contracts under $4 million, and also requires a public authority to provide each such contractor using the expedited process with a pre-proposal meeting to explore the proposals further, in which the public authority provides the manager or firm with a description of the project, including the scope and nature of the proposed services and potential technical approaches.

Under the normal process, the manager or firm submits a proposal or statement of qualifications, is selected to move on, has a meeting with the public authority, and then submits a pricing proposal for final approval.

Under the expedited process, an interested manager or firm has a pre-proposal meeting with the public authority, then submits a proposal or statement of qualifications along with a pricing proposal. The public authority reviews the initial qualification proposal or statement, selects a certain number of managers or firms for the next round, reviews the pricing proposals only of those selected, and then continues the negotiation and selection process from there.

The bill also exempts these contractors from the requirement to submit a sealed bid to self-perform a portion of the work if the public authority requests a guaranteed maximum price proposal due at the time of selection. This essentially means that a manager or firm may more easily subcontract with themselves as long as they have agreed to a certain price cap.

GOVERNOR

- Allows a sworn employee to apply for legal protections when a use of force incident results in physical harm or death and allows the Governor or a designee, under certain circumstances, to approve of legal representation to the sworn employee to be paid by the appointing authority.
- Authorizes the Governor or former Governors of Ohio to solemnize marriages.

Representation for sworn employee in criminal complaints

(R.C. 109.872)

The bill creates a process for a "sworn employee" to apply for legal representation when that employee was involved in a use of force incident that resulted in death, serious physical harm to persons, or physical harm to persons in the scope of that employee's official duties. "Physical harm to persons" and "serious physical harm to persons" have the same meanings as defined in continuing criminal law. All of the following are "sworn employees" under the bill:

- Enforcement agents appointed to enforce Ohio's liquor laws and rules regulating the use of SNAP benefits;
- The Superintendent and troopers of the Ohio State Highway Patrol;
- Special police officers of the Ohio State Highway Patrol;
- Other employees of any Ohio department, agency, or board who are under the executive branch and ultimately report to the Governor and are authorized to investigate, execute Ohio laws, protect public safety, or enforce Ohio laws as part of their job duties.

Applying for representation

A sworn employee listed above may apply to the director of the sworn employee's appointing authority and the Governor or the Governor's designee for legal representation if the sworn employee (1) was involved in a use of force that resulted in death, serious physical harm to persons, or physical harm to persons, (2) was involved in the use of force within the scope and course of the sworn employee's official duties, and (3) is under investigation by a prosecuting attorney, the Bureau of Criminal Identification and Investigation, or another investigating authority for possible criminal charges based on the sworn employee's use of force.

Approval

If the Governor or the Governor's designee determines that all of the conditions described in "**Applying for representation**," above, apply and the Governor or the Governor's designee considers the request for legal representation to be appropriate, the Governor or Governor's designee, in the Governor's or Governor's designee's sole discretion, may approve the request. If the request is approved, the Governor or the Governor's designee must provide the sworn employee with a list of three attorneys who are admitted to the practice of law in Ohio and are experienced in the defense of criminal charges. The sworn employee may select one of

the attorneys to represent the sworn employee until the grand jury concludes its proceedings, a criminal complaint is filed, or the case is disposed of before the grand jury concludes its proceedings or a criminal complaint is filed.

Payment for representation

An attorney who represents a sworn employee in criminal proceedings outlined in "**Approval**," above, must be paid at the usual rate for like services in the community in which the criminal proceedings occur or at the usual rate paid to special counsel under continuing law. The appointing authority is required to pay the attorney's compensation and all reasonable expenses and court costs incurred in the defense of the sworn employee.

Representation after an indictment or criminal complaint

If a criminal investigation of a sworn employee results in an indictment or the filing of a criminal complaint based on the sworn employee's involvement in the use of force, an attorney who represents the sworn employee under the provisions of the bill may continue to represent the sworn employee in the criminal proceeding on any terms to which the attorney and sworn employee mutually agree. Neither the Governor or the Governor's designee nor the appointing authority is obligated to provide the sworn employee with legal representation or to pay attorney's fees, expenses, or court costs incurred by the sworn employee following the indictment or criminal complaint charging the sworn employee with an offense, but the Governor or the Governor's designee, in the Governor's or the Governor's designee's sole discretion, may approve a request to pay attorney's fees, expenses, or court costs incurred by the sworn employee following the indictment or criminal complaint.

Reimbursement

If a sworn employee is represented by an attorney as described above and if the sworn employee is subsequently convicted of or pleads guilty to a criminal offense based on the sworn employee's involvement in the use of force, the Governor or the Governor's designee or the appointing authority may direct the Attorney General to seek to recover, including by means of a civil action, from the sworn employee the costs of legal representation paid by the appointing authority under the bill.

Governor's decision final

A decision of the Governor or the Governor's designee on whether to furnish legal representation prior to indictment or complaint or whether to extend legal representation through criminal proceedings, is not subject to appeal or review in any court or other forum. A person does not have a right of action against the appointing authority, the Governor, or the Governor's designee in the court of claims or any other court based on a decision of the Governor or the Governor's designee made under these provisions.

Terms of indemnification

The indemnification of a sworn employee is to be accomplished only through the following procedure:

1. If the Governor or the Governor's designee determines that the actions or omissions of the employee that gave rise to the claim were within the scope of the employee's employment and that the costs of legal representation should be indemnified, the sworn employee's appointing authority must prepare an indemnity agreement. The indemnity agreement must specify that the appointing authority will indemnify the employee for the expenses of legal representation. The agreement is not effective until it is approved by the employee, the director or appointing authority, and the Governor or the Governor's designee.

2. The appointing authority must forward a copy of the indemnity agreement to the OBM Director.

3. The OBM Director must direct the appointing authority to pay the indemnification against available unencumbered money in the appropriations of the appointing authority. The OBM Director has sole discretion to determine whether unencumbered money in a particular appropriation is available for payment of the indemnification.

4. If sufficient money does not exist to pay the indemnification, the appointing authority must request the General Assembly to make an appropriation sufficient to pay the indemnification, and no payment can be made until the appropriation is made. The appointing authority must make the appropriation request during the current biennium and during each succeeding biennium until a sufficient appropriation is made.

Governor solemnizing marriages

(R.C. 3101.08)

The bill authorizes the Governor or former Governors of Ohio to solemnize marriages.[75] Continuing law authorizes the following persons to solemnize marriages:

- An ordained or licensed minister of any religious society or congregation within Ohio who is licensed to solemnize marriages;
- A judge of a county court;
- A judge of a municipal court;
- A probate judge;
- The mayor of a municipal corporation within Ohio;
- The Superintendent of Ohio deaf and blind education services;
- Any religious society in conformity with the rules of its church.

[75] R.C. 3101.08 states that marriage is allowed only between one man and one woman. However, this statute was struck down by the U.S. Supreme Court in *Obergefell v. Hodges*, 576 U.S. 644 (2015), under the Due Process and Equal Protection Clauses of the Fourteenth Amendment to the U.S. Constitution and does not have any force or effect regarding the restrictions of same-sex marriage.

DEPARTMENT OF HEALTH

Nurse aide eligibility

- Establishes an alternative condition that an individual may satisfy to be eligible for employment as a nurse aide in a long-term care facility – that the individual has successfully completed both a training course provided in a nursing home operated by the U.S. Department of Veterans Affairs and a competency evaluation program conducted by the Department of Health (ODH).

Health care facilities

Change of owner licenses – hospitals

- Eliminates current law provisions requiring a hospital's new owner to apply to the ODH Director for a license transfer and replaces them with provisions establishing the following: (1) a process for an entering owner to apply for a change of owner license and (2) conditions that must be met before the Director issues the new license, including those requiring the disclosure of certain ownership interests in the hospital.

Residential care facility license – continued operation during application period

- Specifies that a residential facility or independent living facility that applies for a license to operate as a residential care (assisted living) facility may continue to operate as a residential facility or independent living facility while its application is pending.
- Restricts a residential facility or independent living facility from providing care to more than two residents while the application is pending.

Radiation-generating equipment – inspection fee increases

- Increases inspection fee amounts for certain radiation-generating equipment used in facilities operated by medical practitioners or medical-practitioner groups.

Youth homelessness funds

- Prohibits the distribution of funds earmarked to address homelessness in youth and pregnant women to youth shelters that promote or affirm social gender transition.

Abortion

Reporting changes

- Changes the annual deadline for ODH's existing report regarding abortions during the previous calendar year to March 1, rather than September 30.
- Clarifies that the existing physician abortion reporting requirement (1) applies to abortions performed by both surgical procedure and abortion-inducing drugs, and (2) must include each pregnant woman's state of residence in addition to zip code.

- Requires hospital monthly and annual abortion reports under existing law to include the total number of Ohio residents versus non-Ohio residents who have undergone a post-12-week abortion and received postabortion care.
- Changes the deadline for ODH's annual report on abortion data from the previous year to March 1 (from October 1) and clarifies that the report must include the number performed on Ohio residents and the number performed on nonresidents.
- Requires ODH to develop a public electronic dashboard and publish monthly abortion data that includes specified information.
- Requires the annual report and monthly dashboard to be updated to include the total number of abortions performed on minors by each facility in the categories of under 16 years of age and 16 to 17 years of age.
- Requires that the annual report and monthly dashboard update and sort by age category the total number of previous abortions the woman has undergone and the total number of in-state versus out-of-state women who had abortions.

Genetic Services funds

- Eliminates the exception authorizing ODH Genetics Services funds to be used to counsel or refer for abortion in the case of a medical emergency.

Deposit of vital statistics fees by ODH

- Transfers from the Treasurer of State to ODH the duty to deposit vital statistics fees into the state treasury to the credit of the Children's Trust Fund.

Program for Children and Youth with Special Health Care Needs

- Extends the age limit for the Program for Children and Youth with Special Health Care Needs from 25 to 26.

Save Our Sight Fund – health professional licensure

- Requires certain health professional licensing boards to ask an applicant for licensure or renewal if the applicant wishes to voluntarily contribute to the Save Our Sight Fund.
- Requires amounts collected by the boards to be deposited into the state treasury to the credit of the fund.

OhioSEE Program

- Requires ODH to establish the Ohio Student Eye Exam Program, or OhioSEE, to provide students in kindergarten through third grade with vision care services, including vision screenings, eye examinations, and glasses.

Children's Dental Services Program

- Requires ODH to establish the Children's Dental Services Program to provide children in underserved areas with dental care services, including screenings, treatment, and preventive care.

Medical Quality Assurance Fund

- Modifies the Medical Quality Assurance Fund by (1) requiring all investment earnings to be credited to it and (2) permitting the Treasurer of State to invest any excess amounts.

Type 1 diabetes informational materials

- Requires ODH to create informational materials on type 1 diabetes for parents, guardians, educators, and other persons having care or charge of children.
- Requires schools that serve elementary school students to provide an electronic or paper copy of those materials to each student's parent or guardian.

Lead abatement tax credit

- Increases to $50,000 (from $10,000) the maximum amount of the tax credit that can be issued by the Director of Health for lead abatement.

Scope of environmental health specialists' practice

- Removes the administration or enforcement of the hazardous waste law from the scope of practice of environmental health that an environmental health specialist or environmental health specialist in training may engage in.

Household sewage treatment system – soil and slope inspection

- Prohibits the ODH Director from adopting rules requiring a soil evaluator or soil scientist to evaluate the soil type and slope with respect to a household sewage treatment system or a proposed household sewage treatment system.

Nurse aide eligibility

(R.C. 3721.32)

The bill establishes an alternative condition that an individual may satisfy to be eligible for employment as a nurse aide in a long-term care facility – the successful completion of both of the following: (1) a training course provided by the U.S. Department of Veterans Affairs (VA) in a VA-operated community living center (a VA nursing home) that the Director of Health determines is similar to a training and competency evaluation program conducted by the Department of Health (ODH) and (2) an ODH-conducted competency evaluation program.

In general, to be listed on ODH's nurse aide registry and therefore eligible for employment in a long-term care facility, an individual must successfully complete both an ODH-approved training and competency evaluation program and an ODH-conducted competency evaluation program. Note that the bill maintains all other existing law alternative conditions.

Health care facilities

Change of owner licenses – hospitals

(R.C. 3722.04 and 3722.06)

The bill eliminates current law provisions requiring a hospital's new owner to apply to the ODH Director for a license transfer and replaces them with provisions establishing the following: (1) a process by which an entering owner may apply for a license and (2) conditions that must be met before the Director issues the new license, including those requiring the disclosure of certain ownership interests in the hospital.

Application procedures

If a change of owner is proposed for a hospital, the entering owner must apply to the ODH Director for a license to operate the hospital. The application must be submitted not later than 45 days before the date of the proposed change of owner, but the ODH Director may waive that timeline in the event of an emergency.

As soon as practicable after receiving a completed application, the ODH Director must review it to determine if the bill's requirements and rules adopted by the ODH Director have been met. If the ODH Director makes such a determination, a notice of intent to grant a change of owner license must be issued, with the license's issuance contingent on the submission of documents evidencing completion of the change of owner transaction.

Eligibility

To be eligible for the license, an entering owner must submit a complete application, pay the change of owner fee specified by the ODH Director in rule, and satisfy all of the following:

- Identify the one or more individuals that own, directly or indirectly, at least 5% of the following: the entering owner, if the entering owner is an entity; the owner of the building or buildings in which the hospital is located, if the owner differs from the entering owner; or each related party that provides services to the hospital;
- With respect to any identified individual, disclose the exact percentage of the individual's ownership interest;
- Disclose whether any identified individual owned an interest in a hospital licensed by the ODH Director or by another state and whether any of the following events occurred within the five years immediately preceding the application date: the hospital closed; the hospital or its owner was the subject of receivership proceedings; the hospital's license was suspended, denied, or revoked; the hospital was the subject of injunction proceedings initiated by a regulatory agency; or a civil or criminal action was filed against the hospital by a state or federal entity;
- Provide any other information the ODH Director considers necessary.

Additional requirements

Evidence of a bond

The bill requires an applicant to submit the ODH Director evidence of a bond in an amount not less than the product of the number of hospital beds multiplied by $10,000. The requirement does not apply to an applicant identifying direct or indirect ownership of at least 50% of the entering owner.

The bond must be renewed, replaced, or maintained for five years after the effective date of a change of owner. The aggregate liability of a surety must not exceed the sum of the bond, which is not cumulative from period to period. If the bond is not renewed, replaced, or maintained, the ODH Director is required to revoke the hospital's license after providing 30 days' notice to the owner. The bond must be released five years after the effective date of the change of owner if none of the events described below have occurred.

The ODH Director may utilize the bond to pay expenses incurred by the ODH Director of another state official or agency if any of the following occurs during the five-year period for which the bond is required:

- The hospital closes;
- The hospital is the subject of bankruptcy proceedings;
- The hospital is the subject of receivership proceedings;
- The license to operate the hospital is suspended, denied, or revoked;
- The hospital undergoes a change of ownership, unless the new applicant submits a bond.

Prior experience

The applicant also must demonstrate to the ODH Director that the entering owner or person who will have operational control of the hospital has at least five years' experience with operational control of a hospital licensed by the Director or by another state.

Attestations

The applicant also must attest all of the following to the ODH Director:

- That the entering owner has developed quality assurance and risk management plans for the hospital's operation;
- That the entering owner has general and professional liability insurance coverage that provides coverage of at least $1 million per occurrence and $3 million aggregate;
- That sufficient numbers of qualified staff, by training or experience, will be employed to properly care for the type and number of hospital patients.

Denial of change of ownership

The ODH Director is required by the bill to deny a change of owner application when the bill's requirements and any rules adopted by the Director have not been met.

Additional grounds for denial

The bill sets forth two additional grounds under which the ODH Director must deny a change of owner license. Each relates to the prior history of an entering owner or other ownership interest.

In the case of an entering owner or individual identified as owning, directly or indirectly, 25% or more of the entering owner, the ODH Director must deny the change of owner application if both of the following criteria are met:

- The entering owner or individual has or had either of the following relationships with a currently or previously licensed hospital by the Director or by another state:
  - 50% or more direct or indirect ownership in the hospital;
  - Alone or together with one or more other persons, operational control of the hospital.
- Any of the following occurred with respect to the current or previously licensed hospital within the five years immediately preceding the date of application:
  - Involuntary closure of the hospital by a regulatory agency or voluntary closure in response to licensure or certification action;
  - Voluntary or involuntary bankruptcy proceedings that are not dismissed within 60 days of filing for bankruptcy;
  - Voluntary or involuntary receivership proceedings that are not dismissed within 60 days of the proceedings' initiation;
  - License suspension, denial, or revocation for failure to comply with operating standards.

In the case of a change of 25% or more of the property ownership interest in a hospital that occurs in connection with the change of owner, the ODH Director must deny the change of owner license if the person who acquired the property ownership interest meets both of the following criteria:

- The person has or had either of the following relationships to a hospital currently or previously licensed by the Director or by another state:
  - 50% or more direct or indirect property ownership in the hospital;
  - Alone or together with one or more other persons, operational control of the hospital.
- Any of the following occurred with respect to the current or previously licensed hospital within the five years immediately preceding the date of application:
  - Involuntary closure of the hospital by a regulatory agency or voluntary closure in response to licensure or certification action;
  - Voluntary or involuntary bankruptcy proceedings that are not dismissed within 60 days of filing for bankruptcy;

- Voluntary or involuntary receivership proceedings that are not dismissed within 60 days of the proceedings' initiation;
- License suspension, denial, or revocation for failure to comply with operating standards.

Appealing a denial

The bill authorizes an applicant who has been denied a change of owner license to appeal that decision. The appeal is governed by Ohio's Administrative Procedure Act (R.C. Chapter 119).

Entering owner duties

An entering owner is required to perform all of the following duties:

- As soon as practicable after discovering an error, omission, or change of information in the entering owner's application, notify the ODH Director of the error, omission, or change;
- When a change in the information or documentation required by the bill occurs after the change of owner license is issued, notify the ODH Director of the change in the information or documentation within 10 days of its occurrence;
- Truthfully supply to the ODH Director any additional information or documentation that the Director requests;
- Refrain from completing the change of owner transaction until after the ODH Director issues to the entering owner notice of the Director's intent to grant a change of owner;
- Within five days of completing the change of owner transaction, submit to the ODH Director the final document evidencing its completion.

Entering owner penalties

Should an entering owner (1) fail to notify the ODH Director of (a) errors, omissions, or changes in the application or (b) changes in information or documentation occurring after the license issues or (2) fail to truthfully supply any other information or documentation that the Director requests, the Director must impose on the entering owner a civil penalty in the amount of $2,000 for each day of noncompliance.

Investigations and additional penalties

The bill requires the ODH Director to investigate an allegation that a change of owner occurred and the entering owner failed to submit an application in accordance with the bill's provisions. The Director also must investigate an allegation that an application included fraudulent information. In conducting an investigation, the Director may request the Attorney General's assistance.

If the ODH Director becomes aware – by means of an investigation or otherwise – that an entering owner failed to submit an application or that an application included fraudulent information, the bill requires the Director to impose on the entering owner a civil penalty in the amount of $2,000 for each day of noncompliance after the date the change of owner occurred.

If an entering owner fails to submit an application or new application for a change of owner license within 60 days of the ODH Director becoming aware of the change of owner, the Director must begin the current law process for revoking the license.

Rulemaking

The bill grants the ODH Director authority to adopt rules as necessary to implement the bill's provisions. It also revises existing law requiring the Director to adopt rules establishing procedures for transferring licenses to specify that those procedures instead relate to changing owners.[76] All rules must be adopted in accordance with Ohio's Administrative Procedure Act (R.C. Chapter 119).

Legislative intent

The bill specifies that, in amending existing law, it is the intent of the General Assembly to require full and complete disclosure and transparency with respect to the ownership, operation, and management of each licensed hospital undergoing a change of owner.

Residential care facility license – continued operation during application period

(R.C. 3721.074)

The bill specifies that when a residential facility or an independent living facility applies to the ODH Director for a license as a residential care facility (generally referred to as an assisted living facility), the residential facility or independent living facility may continue to operate while the application is under consideration by the Director. The bill prohibits a residential facility or independent living facility from providing care to more than two residents while such an application is pending.

Radiation-generating equipment – inspection fee increases

(R.C. 3748.13)

The bill increases as follows inspection fee amounts for certain radiation-generating equipment used in facilities operated by medical practitioners or medical-practitioner groups:

- For a first dental x-ray tube, from $155 to $310;
- For each additional dental x-ray tube at the same location, from $77 to $154;
- For a first medical x-ray tube, from $307 to $614;
- For each additional medical x-ray tube at the same location, from $163 to $326;
- For each unit of ionizing radiation-generating equipment capable of operating at or above 250 kilovoltage peak, from $610 to $1,220;
- For a first nonionizing radiation-generating equipment of any kind, from $307 to $614;

[76] R.C. 3722.06.

- For each additional nonionizing radiation-generating equipment of any kind at the same location, from $163 to $326.

Note that the bill maintains the law establishing an inspection fee schedule for such equipment.

Youth homelessness funds

(Section 291.20)

The bill prohibits the distribution of funds earmarked to address homelessness in youth and pregnant women to youth shelters that promote or affirm social gender transition, in which an individual goes from identifying with and living as a gender that corresponds to the individual's biological sex to identifying with and living as a gender different from the individual's biological sex.

Abortion

Reporting changes

(R.C. 2919.171 and 3701.79)

The bill changes to March 1, from September 30, the date by which ODH must issue a public report required under current law on statistics for all abortion reports it receives from the previous calendar year. Under continuing law unchanged by the bill, ODH must ensure that none of the information in the report could reasonably lead to the identification of any pregnant woman upon whom an abortion is performed.

Current law requires a physician who performs or induces or attempts to perform or induce an abortion to complete an individual abortion report for each abortion. The bill clarifies that the requirement applies to abortions performed by both surgical procedure and abortion-inducing drugs. Further, it specifies that the statutorily required information to be included in the report must include the pregnant woman's state of residence in addition to her zip code (as required under current law).

The monthly and annual abortion reports hospitals must file under current law for women who have undergone a post-12-week abortion and received postabortion care must, under the bill, include the total number of Ohio residents and the total number non-Ohio residents.

The bill changes the date to March 1, from October 1, by which ODH must issue its existing annual report on abortion data from the previous year. Additionally, the bill requires ODH to develop a public electronic dashboard to publish monthly the abortion data reported to it. The annual report and monthly dashboard update must include, in addition to information required under existing law, the following information:

- The number of abortions performed on Ohio *residents* and *the number performed on* out-of-state residents, which under the bill must be sorted by the age of the woman on whom the abortion was performed, as described below;
- The number of zygotes, blastocytes, embryos, or fetuses previously aborted by the woman must also, under the bill, be sorted by the woman's age;

- The total number of abortions performed on minors by each facility in the categories of under 16 years of age and 16 to 17 years of age.

The bill changes three of the age categories in current law for reporting the ages of women on whom an abortion was performed to the following:

- Under 16, rather than under 15;
- 16 to 17, rather than 15 to 19;
- 18 to 24, rather than 20 to 25.

The remaining age categories under continuing law are as follows:

- 25 to 29;
- 30 to 34;
- 35 to 39;
- 40 to 45;
- 45 and older.

Genetics Services funds

(R.C. 3701.511; Section 291.20)

Current law prohibits the use of ODH Genetics Services funds to counsel or refer for abortion, except in the case of a medical emergency. The bill eliminates that exception.

Deposit of vital statistics fees by ODH

(R.C. 3109.14)

The bill transfers a requirement to deposit vital statistics fees into the state treasury to the credit of the Children's Trust Fund from the Treasurer of State to ODH. Under existing law, the ODH Director, a person that the Director authorizes, a local commissioner of health, or a local registrar of vital statistics must charge and collect a $3 fee for each certified copy of a birth record, certification of birth, and copy of a death record. The fees must be forwarded to ODH within 30 days after the end of each quarter. Under the bill, ODH must deposit the fees into the state treasury to the credit of the Children's Trust Fund within two days after receipt. Under existing law, ODH must forward the fees to the Treasurer of State, who deposits the fees accordingly.

The bill also requires ODH to deposit any penalty it receives in the state treasury to the credit of the Children's Trust Fund. Existing law imposes a penalty of 10% of the fees on any person or government entity that fails to forward the vital statistics fees in a timely manner, as determined by ODH.

Program for Children and Youth with Special Health Care Needs

(R.C. 3701.021; Section 291.10)

The Program for Children and Youth with Special Health Care Needs (also referred to as the Complex Medical Help Program by ODH) is administered by ODH and serves families of

children and young adults with special health care needs, including AIDS, hearing loss, cancer, juvenile arthritis, cerebral palsy, metabolic disorders, cleft lip/palate, severe vision disorders, cystic fibrosis, sickle cell disease, diabetes, spina bifida, scoliosis, congenital heart disease, hemophilia, and chronic lung disease.

The program has three core components:

- Diagnostic – an individual under age 21 who meets medical criteria, regardless of income, may receive services from program-approved providers for up to six months to diagnose or rule out a special health care need or establish a plan of care;
- Treatment – an individual under age 25 who meets both medical and financial criteria may receive treatment from program-approved providers for an eligible condition;
- Service coordination – the family of an individual under age 25 who meets medical criteria, regardless of income, may receive assistance locating and coordinating services for the individual with the medical diagnosis.[77]

The bill requires the ODH Director to establish eligibility requirements that increase the maximum age of an individual who can be served by the program from 25 to 26. This increase does not apply to the diagnostic component of the program. The bill appropriates an additional $500,000 to the program in FY 2026.

Save Our Sight Fund – health professional licensure

(R.C. 3701.21 and 4743.12)

The bill requires the following licensing boards to ask an applicant for an initial license or certificate, or its renewal, if the applicant wishes to contribute, on a voluntary basis, to the Save Our Sight Fund: the Ohio Board of Nursing, State Board of Pharmacy, State Board of Education, State Board of Emergency Medical, Fire, and Transportation Services, State Medical Board, and State Vision Professionals Board.

If the applicant wishes to contribute, a board must provide a method by which the contribution may be made. All amounts collected by a board must be deposited into the state treasury to the credit of the fund.

Under continuing law, the Registrar of Motor Vehicles and deputy registrars ask individuals applying for or renewing a vehicle registration if the individual wants to contribute to the fund, which is used to provide children's vision screening training and materials, develop and implement a registry and targeted case management system regarding children with amblyopia (sometimes referred to as "lazy eye"), provide grants to purchase and distribute protective

[77] Service coordination information published on the ODH website indicates that eligible applicants must be under the age of 21 (Service Coordination Program, which may be accessed by conducting a keyword "service coordination" search on ODH's website: odh.ohio.gov). However, R.C. 3701.023(D) requires ODH to authorize necessary service coordination for each eligible child, and R.C. 3701.021(D) prohibits the Director from specifying an age restriction that excludes from eligibility an individual who is less than 25 years of age.

eyewear for children, provide vision health and safety programs and materials for classrooms, and informational materials on the importance of eye care and safety to the Registrar and deputy registrars.

OhioSEE Program

(Section 291.30)

The bill requires ODH to administer the Ohio Student Eye Exam Program, to be known as the OhioSEE Program, to provide vision care services, including vision screenings, eye examinations, and glasses, to Ohio students in grades K to 3 in FYs 2026 and 2027. Participating students must have failed vision screenings and lack access to follow-up care. In administering the program, ODH must focus on improving the percentage of vision care referrals completed, increasing student access to eye examinations, and providing necessary eyewear to eligible students.

Children's Dental Services Program

(Section 291.40)

The bill requires ODH to establish and administer the Children's Dental Services Program in FYs 2026 and 2027. The program may provide dental care services, including screenings, treatment, and preventive care, to children who reside in underserved areas, as determined by ODH, and meet any other eligibility condition established by ODH.

The dental care services may be provided by deploying mobile dental units to schools and underserved areas. In administering the program, ODH must focus on increasing children's access to dental care and helping to reduce the incidence of dental cavities among children.

Medical Quality Assurance Fund

(R.C. 113.78)

The bill modifies the contents and permissible uses of the Medical Quality Assurance Fund, which exists as a "custodial fund," meaning that money can be withdrawn without an appropriation. The fund was created to receive money that the Ohio Medical Quality Foundation was required to transfer to it by April 1, 2025.[78]

With the bill's modifications, both of the following apply:

- All investment earnings of the fund must be credited to it;
- If money in the fund exceeds the amount needed to meet the General Assembly's directed uses for it, the Treasurer of State may invest the excess according to the Treasurer's existing authority to invest state interim funds.[79]

[78] See Section 14 of H.B. 238 of the 135th General Assembly.

[79] See R.C. 135.143, not in the bill.

Type 1 diabetes informational materials

(R.C. 3313.7118, 3314.03, 3326.11, and 3707.61)

ODH requirements

Under the bill, ODH must create informational materials on type 1 diabetes for parents, guardians, educators, and other persons having care or charge of children. The materials must include pertinent information to inform and educate them about type 1 diabetes in children, including the following:

- A description of type 1 diabetes;
- A description of type 1 diabetes risk factors and warning signs;
- A recommendation that the parents or guardian of a student who is displaying type 1 diabetes warning signs should immediately consult with the student's primary care provider to determine if immediate screening is appropriate;
- A description of the type 1 diabetes screening process, the significance of the three stages of type 1 diabetes, and the implications of test results identifying the presence of each stage; and
- A recommendation that, following a diagnosis of type 1 diabetes, the student's parents or guardian should consult with the student's primary care provider to develop an appropriate treatment plan, which may include consultation with and examination by a specialty care provider, including a properly qualified endocrinologist.

ODH must make the informational materials available on its website in a format suitable for easy downloading and printing.

School requirements

The bill requires public schools, community schools, STEM schools, and chartered nonpublic schools that serve elementary school students to provide either an electronic or paper copy of the ODH type 1 diabetes informational materials to each student's parent or guardian upon the student's enrollment in elementary school.

Lead abatement tax credit

(R.C. 3742.50)

The bill increases the maximum amount of the tax credit that can be issued by the ODH Director for lead abatement from $10,000 to $50,000.

Scope of environmental health specialists' practice

(R.C. 3776.01)

The bill eliminates a registered environmental health specialist (EHS) or an environmental health specialist in training's (EHS in training) authority to administer or enforce the hazardous waste law, the authority of which was initially granted in H.B. 33 from the 135th General Assembly in 2023. Under continuing law, an EHS or EHS in training engages in the practice of environmental

health by administering and enforcing other various laws, including laws governing swimming pools, retail food establishments, food service operations, household sewage treatment systems, solid waste, and construction and demolition debris.

Household sewage treatment system – soil and slope inspection

(R.C. 3718.02)

The bill prohibits the ODH Director from adopting rules requiring a soil evaluator or soil scientist to evaluate the soil type and slope with respect to a household sewage treatment system or a proposed household sewage treatment system. Continuing law defines a "household sewage system" as any sewage treatment system, or part of such a system, that receives sewage from a single-family, two-family, or three-family dwelling.[80]

Current rules adopted by the Director require a soil scientist or soil classifier certified by the Soil Science Society of America to complete a soil evaluation for a sewage treatment system.[81]

[80] R.C. 3718.01, not in the bill.

[81] O.A.C. 3701-29-07.

DEPARTMENT OF HIGHER EDUCATION

In-state undergraduate tuition and general fees

- Addresses restraints on in-state undergraduate tuition and general fee increases for FY 2026 and FY 2027, as follows:
  - Limits state universities and university branch campuses from tuition and general fee increases for student cohorts entering each of those years to not more than 3% of what was charged in the previous academic year;
  - Limits community, state community, and technical colleges increases to their tuition and general fees to not more than $5 per credit hour over what they charged in the previous academic year.

Student financial aid programs

Ohio College Opportunity Grant Program

- Establishes maximum Ohio College Opportunity Grant amounts for FYs 2026 and 2027, as follows:
  - For students at state institutions of higher education, $4,000;
  - For students at private nonprofit colleges and universities, $5,000;
  - For students at private for-profit colleges and schools, $2,000.

Governor's Merit Scholarship

- Extends the operation of the Governor's Merit Scholarship Program to FYs 2026 and 2027 with changes, including expanding eligibility to students enrolled in nonchartered nonpublic schools who meet the other criteria to receive a scholarship.
- Permits private nonprofit institutions of higher education to participate in the program in FY 2026, and in FY 2027 if the institution signs a commitment to comply with specified provisions from S.B. 1 of the 136th General Assembly in the same manner as a state institution of higher education.

Ohio Work Ready Grant Program

- Requires the Chancellor of Higher Education to establish alternative criteria based on Ohio's emerging workforce needs to identify qualified programs for which a student may receive a first-time Ohio Work Ready Grant.
- Requires the Chancellor to collect and report data on technician-aligned associate degrees as a program metric.

Rural Practice Incentive Program

- Qualifies civil attorneys who engage in private practice in an underserved community for a minimum of 520 hours each service year to receive loan repayments through the Rural Practice Incentive Program.

State institutions of higher education

Credential and work experience

- Requires each state institution to consider an applicant's work experience and credentials as part of its admissions process and grant credit for that or detail the opportunities and required documentation to gain that credit.

General education requirements

- Requires each state institution board of trustees to formally review, evaluate, and adjust its general education criteria in specified subject areas.

Guaranteed admission

- Guarantees each high school graduate in the top 10% of their graduating class admission to a state institution.
- Permits a state university to delay main campus admission and admit a high school graduate in the top 10% of the graduating class to a regional campus if the student does not meet the standards for unconditional admission.
- Guarantees Governor's Merit Scholarship recipient admission to the main campus of a state institution of higher education.

Co-Op Internship Program

- Requires state institutions to develop and implement, by the 2027-2028 academic year, a Co-Op Internship Program.
- Requires the Chancellor to consult with JobsOhio and other appropriate stakeholders to develop the goals, structure, and parameters of the program.
- Requires state institutions, by June 30 of the year following the implementation of the program, and annually thereafter, to report specified metrics.
- Eliminates the annual report on the academic and economic impact of the Co-Op/Internship Program.

Curricular approval process

- Requires each state institution board of trustees to adopt a curricular approval process to establish and modify academic programs, curricula, courses, general education requirements, and degree programs.
- Grants a state institution board of trustees unilateral and ultimate authority to establish new academic programs, schools, colleges, institutes, departments, and centers at the institution.
- Prohibits a state institution board of trustees from delegating its authority to adopt a curricular approval process or to approve or reject academic programs.

Fiscal caution status

- Requires the Chancellor, in consultation with OBM, to adopt rules regarding:
  - Criteria for determining when to declare a state institution under fiscal caution;
  - Requirements for a state institution on fiscal caution to submit a financial recovery plan, submit a three-year forecast of revenues and expenditures, consult with the Auditor of State regarding steps to bring the institution's financial accounting and reporting into compliance with the Auditor's requirements, and submit regular reports related to the fiscal caution; and
  - Criteria for determining when to declare the termination of a fiscal caution.
- Permits the Chancellor to impose limitations on a state institution that fails to comply with requirements related to a fiscal caution or fails to take decisive action to improve the institution's financial condition.

Use of financial indicators to evaluate institutions

- Requires the Chancellor to use specified financial indicators to determine whether a state institution board of trustees has taken any action related to pausing or stopping enrollment, submitted a withdrawal of accreditation, or taken any other action indicating the institution will undergo a wind down and dissolution of existence.

Fiscal integrity of state institutions

- Declares that requiring fiscal integrity of state institutions is the public policy and a public purpose of the state.
- Declares that the failure of a state institution to meet its fiscal obligations adversely affects the health, safety, and welfare of students and other people of the state.
- Permits the Chancellor to make recommendations and the Controlling Board to grant money from the catastrophic expenditures account to any state institution that suffers an unforeseen catastrophic event that severely depletes the institution's financial resources.

Governance authority requirements

- Requires a governance authority appointed for a state institution under conservatorship to include one member with expertise in academic affairs and accreditation and one member with expertise in either state agency budgets or state institution finances.
- If the governance authority determines closure is necessary or is appointed to facilitate an orderly closure, requires the governance authority to include in its quarterly report all matters related to compliance with institution closure requirements specified by the Chancellor.

Student record preservation plans

- Requires each state institution and each private nonprofit college or university annually to certify to the Chancellor, and each private for-profit career college or school annually

to certify to the State Board of Career Colleges and Schools, a plan to preserve student records indefinitely if the institution were to close.

Higher education institution program review

- Requires each state institution and private nonprofit college or university annually to submit specified information to the Chancellor, including accreditation status, a plan for the indefinite preservation of student records in case of closure, external degree program evaluations, and degree programs eliminated in the previous year.
- Requires each for-profit career college or school to submit the same information to the State Board of Career Colleges and Schools and the Chancellor.
- Permits the Chancellor to rescind program approval or institutional authorization if a college, university, or state institution does not submit the required information.
- Permits the State Board to suspend, withdraw, or revoke a career college's or school's certificate of registration or program authorization if it fails to submit the required information.
- Requires each state institution, private nonprofit college or university, and for-profit career college or school to notify the Chancellor, and, in the case of a for-profit career college or school, the State Board, if specified events occur related to federal government or accrediting organization monitoring, accreditation findings, and financial issues.

Contracts with online program managers

- Establishes requirements for contractual agreements between private nonprofit colleges or universities, for-profit colleges or schools, or state institutions and any online program manager that grants the program manager input or authority on an academic program, including requirements for disclosure of such agreements, approval of new contractual agreements, and standards for those agreements.

College credit for military training, experience, and coursework

- Permits the Chancellor to require higher education institutions and schools to establish a process to evaluate military training, experience, and coursework and to award appropriate equivalent college credit to veterans.

Strategic Square Footage Reduction Fund

- Creates the Strategic Square Footage Reduction Fund to make revolving loans to state higher education institutions for voluntary physical square footage reduction.
- Requires the Treasurer of State to transfer funds from the Ohio Tuition Reserve Fund to the Strategic Square Footage Reserve Fund.

Eastern Gateway Community College

- Repeals the law establishing Eastern Gateway Community College on June 30, 2027, and requires the Chancellor to ensure continuity of postsecondary educational access in Eastern Gateway's former service district.

AI Integration in Community Colleges Grant Program

- Establishes the Artificial Intelligence (AI) Integration in Community Colleges Pilot Program.
- Requires the Chancellor to award five $100,000 competitive grants in each fiscal year to public community colleges, with preference to those with a strong commitment to integrating AI into education, workforce development, and industry alignment.
- Prescribes permissible uses of grant funds and requires the Chancellor to monitor performance and submit a report on the program to the General Assembly.

College Credit Plus Program

- Permits the Chancellor, in consultation with the Director of Education and Workforce, to ensure that state institutions and school districts are fully engaging and participating in the College Credit Plus Program (CCP).
- Requires the Chancellor and Director to work with public secondary schools and partnering state institutions to encourage the establishment of model pathways that prepare participants to successfully enter the workforce in certain fields.
- Requires students enrolled under a statewide innovative waiver pathway to follow a model pathway, with specific priority on pathways aligned with engineering technology and other fields essential to the superconductor industry.
- Reinstates the requirement that the Chancellor issue an annual report on CCP outcomes.

Higher Education Research Public Policy Consortium

- Requires the Chancellor, in consultation with specified entities, to establish the Higher Education Public Policy Research Consortium to develop and maintain a biennial statewide research agenda.
- Establishes process under which the Chancellor awards competitive research grants of up to $10,000 for faculty and post-graduate students whose research aligns with the biennial statewide research agenda.

Direct Admissions Pilot Program

- Establishes the Direct Admissions Pilot Program to notify students in participating high schools if they meet the admissions criteria for participating postsecondary institutions.

Accelerated College and Career Pathways Program

- Establishes the Accelerated College and Career Pathways Program under which each state university must establish at least one accelerated 90-hour degree program that is aligned to an in-demand career area by the 2026-2027 academic year.
- Requires each state university to develop, in consultation with local and regional primary and secondary education partners, model College Credit Plus (CCP) pathways that are aligned with the accelerated 90-hour degree programs offered by the state university and regional and state workforce needs.
- Requires each public and participating nonpublic secondary school to include those CCP pathways in its CCP information annually provided to students and parents.
- Prohibits the Chancellor from distributing SSI allocations to a state university in any fiscal year in which the university does not comply with the program requirements.
- Requires the Chancellor to establish criteria for approval of accelerated degree programs, provide technical assistance to state universities for the program, identify how credit a student earned previously may apply to an accelerated degree program, and annually publish program data on its website.

Centers of Civics, Culture, and Society

- Requires the Chancellor and the Centers of Civics, Culture, and Society at specified state universities to develop and implement a plan so that the centers may benefit Ohio by, among other things, offering programming at other state institutions.
- Requires the directors of the centers to approve the center's courses that meet the state university's general education requirements, in addition to overseeing, developing, and approving the center's curriculum.
- Eliminates the requirement that the Salmon P. Chase Center for Civics, Culture, and Society within Ohio State University be physically located in the College of Public Affairs.

Attainment level report

- Eliminates the annual report regarding the progress the state is making in increasing the percentage of adults in the state with a postsecondary degree or credential.
- Requires the Chancellor, in collaboration with the Governor's Office of Workforce Transformation, to establish the level of attainment necessary to achieve identified performance targets across a range of degrees and credentials by December 31, 2025.

Campus security and safety programs reports

- Requires the Chancellor to submit reports regarding the Campus Security Support Program and the Campus Student Safety Grant Program to chairpersons of the House and Senate higher education committees by July 1, 2026.

Campus Community Grant Program

- Eliminates the Campus Community Grant Program.

"Teach CS" Grant Program

- Expands the scope of teachers to whom the "Teach CS" Grant Program applies.
- Clarifies the purposes for which grant funds may be used.

As used in this chapter of the analysis:

A **state institution of higher education** means any of the 14 state universities and each community college, state community college, technical college, and university branch campus.

The **state universities** are the University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Northeast Ohio Medical University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University.

Ohio technical centers are career-technical centers and schools that provide adult education and are recognized as such by the Chancellor of Higher Education.

In-state undergraduate tuition and general fees

(R.C. 3345.48 and Section 381.260)

For the 2025-2026 and 2026-2027 academic years, the bill restrains the increases for in-state undergraduate tuition and fees at each state institution of higher education.

State universities

Under law unchanged by the bill, each state university is required to establish an undergraduate tuition guarantee program. Under that program, each entering cohort of in-state undergraduate students pays an immediate increased rate for instructional and general fees, but that rate is guaranteed not to increase again for that particular cohort for the next four years.

For the 2025-2026 and 2026-2027 academic years, the bill requires each state university and university branch campus to restrain increases in its in-state undergraduate tuition and general fees. Specifically, they cannot increase the guaranteed amount of instructional and general fees for students entering in those academic years by more than 3% over what was charged in the previous academic year.

Otherwise, under continuing law, the increase is the sum of the average rate of inflation for the past 36 months and the percentage amount the General Assembly restrains increases on in-state undergraduate instructional and general fees for the fiscal year. If the General Assembly does not establish a limit, then a state university is not limited in increasing its tuition and fees.

Community colleges

For the 2025-2026 and 2026-2027 academic years, the bill prohibits each community, state community, and technical college from increasing its tuition and general fees by more than

$5 per credit hour over what it charged in the previous academic year. Those limits explicitly exclude student health insurance, fees for auxiliary goods or services provided to students at the cost incurred to the college, fees assessed to students as a pass-through for licensure and certification exams, fees for elective courses associated with travel experiences, elective service charges, fines, and voluntary sales transactions.

Student financial aid programs

Ohio College Opportunity Grant Program

(Section 381.490)

The bill establishes maximum Ohio College Opportunity Grant award amounts for FY 2026 and FY 2027 for each higher education institutional sector. Specifically, for both years, the maximum amounts are as follows:

Institutional sector	Award amount
State institution of higher education	$4,000
Private nonprofit college or university	$5,000
Private for-profit career college or school	$2,000

The Ohio College Opportunity Grant Program is the state's main needs-based financial aid program for higher education students. For more information about the program, see the LSC Ohio College Opportunity Grant: Q&A (PDF) Members Brief, which is available on LSC's website: lsc.ohio.gov/publications.

Governor's Merit Scholarship

(Section 381.400)

The bill extends the operation of the Governor's Merit Scholarship Program to FY 2026 and FY 2027. Under the program, the Chancellor of Higher Education awards merit-based, four-year, $5,000 scholarships to qualifying Ohio high school graduates attending state institutions of higher education or private nonprofit colleges or universities in Ohio.

In addition to extending the program, the bill makes the following changes to it:

1. Permits the Chancellor to use the program's appropriations to pay for the program's administrative costs;

2. Clarifies that, to qualify, a student must be in the top 5% of the student's graduating class at the end of the student's junior year to qualify for a scholarship;

3. Expands eligibility for a scholarship to students enrolled in nonchartered nonpublic schools who meet the other criteria to receive a scholarship;

4. Clarifies that public or nonpublic schools must determine student eligibility using criteria established by the Chancellor, in consultation with the Director of Education and Workforce;

5. Requires school districts and nonpublic high schools to provide information requested by the Chancellor regarding scholarship eligibility determinations;

6. Prohibits the Chancellor from placing limits on the number of students receiving an award under the scholarship who enroll at an institution;

7. Changes the ability of a private nonprofit college or university to participate in the program as follows:

a. For FY 2026, permits a private nonprofit college or university to participate in the same manner as a state institution;

b. For FY 2027, permits a private nonprofit college or university to participate in the same manner as a state institution if it does both of the following for that fiscal year:

i. Admits any Ohio graduate of the 12th grade who is in the top 10% of a graduating class, as determined by the Chancellor; and

ii. Signs a commitment to comply with specified laws contained in S.B. 1 of the 136th General Assembly in the same manner as a state institution, including the following:

I. Syllabus posting requirements;

II. Incorporating specified statements into a statement of commitment;

III. Adopting a policy containing specified requirements and prohibitions regarding diversity, equity, and inclusion (DEI), intellectual diversity, and other concepts at the institution;

IV. Adhering to a specified response process to complaints of interference with intellectual diversity rights or violations of other related policies;

V. Informing students and staff of intellectual diversity rights afforded under applicable policies;

VI. Developing an American civic literacy course and requiring completion of the course beginning with students graduating in the spring semester of the 2029-2030 academic year;

VII. Adopting and periodically updating a faculty workload policy;

VIII. Establishing a written system of faculty evaluations;

IX. Adopting and periodically updating a faculty annual performance evaluation policy;

X. Adopting and periodically updating a post-tenure review policy;

XI. A prohibition on accepting gifts or donations from the People's Republic of China and other related prohibitions and requirements;

XII. Specified equal opportunity requirements;

XIII. A prohibition on providing or requiring training on certain prescribed concepts regarding race and sex; and

XIV. A prohibition on policies designed to segregate individuals based on race, ethnicity, religion, sex, sexual orientation, gender identity, or gender expression in specified settings.

The bill prohibits the Chancellor from requiring a private nonprofit college or university that is affiliated with a religious order, sect, church, or denomination to comply with any requirement or prohibition that conflicts with any policy, procedure, or practice that the college or university has adopted in accordance with any truly held religious belief of that order, sect, church, or denomination, as determined by the college or university, as a condition of participating in the program.

The bill also permits a student who received a first-time scholarship prior to FY 2027 and who is enrolled in a private nonprofit institution for FY 2027 to continue to receive the scholarship in the same manner as a student enrolled in a state institution, regardless of whether the student's college or university elects to participate in the program for that year. In this case, a private nonprofit college or university may participate in the scholarship program for FY 2027 only with regard to students who are renewing scholarships.

The program was first enacted in H.B. 33 of the 135th General Assembly, effective July 4, 2023, the main appropriations act of the FY 2024-FY 2025 biennium and began operation in FY 2025. For more information about the program and its operation, see page 328 of the LSC H.B. 33 Final Analysis (PDF), which is available on the General Assembly's website: legislature.ohio.gov.

For a discussion of the provisions of S.B. 1, see the LSC As Reported by House Workforce and Higher Education Committee analysis (PDF), which is available at legislature.ohio.gov. The Senate concurred to House amendments to S.B. 1 on March 26, 2025, and, according to a press release, the Governor signed it into law on March 28, 2025. See Governor DeWine Signs Bill Into Law, which is also available at governor.ohio.gov.

Ohio Work Ready Grant Program

(R.C. 3333.24)

The bill requires the Chancellor to establish, in consultation with the Office of Workforce Transformation, alternative criteria to identify qualified programs eligible for the Ohio Work Ready Grant Program. The criteria must be based on the emerging workforce needs of the state. The bill also specifies that the industry-recognized credential metric reported by the Chancellor include technician-aligned associate degrees. Current law requires that the Chancellor collect and report various program metrics including demographics, success rates of recipients, and total number of industry-recognized credentials disaggregated by subject or program area.

Rural Practice Incentive Program

(R.C. 3333.13)

The bill qualifies civil attorneys who engage in private practice in an underserved community for at least 520 hours each service loan repayments through the Rural Practice Incentive Program.

State institutions of higher education

Credential and work experience

(Section 381.740)

The bill requires each state institution of higher education, prior to admitting any students applying after July 1, 2025, to consider the applicant's work experience and credentials as part of the institution's admissions process. The bill states that an applicant's experience and credentials need not to align to the program or discipline the applicant is pursing to be considered a positive reason for the state institution to admit the student.

Upon a student's acceptance, a state institution must either grant credit for prior learning or experience or detail the potential opportunities and required documentation to grant such credit based on the review of the information the student provided in an application.

General education requirements

(Section 381.750)

Under the bill, each state institution of higher education board of trustees must formally review and evaluate the components of its general education curriculum and adopt a resolution acknowledging it has done so by December 31, 2025. Each board of trustees must submit its resolution to the Chancellor.

By March 31, 2026, each board of trustees must formally evaluate its general education curriculum to enhance content that furthers the state's postsecondary education attainment and workforce goals. In conducting the evaluation, the board of trustees must consider adjusting that curriculum in:

1. Civics, culture, and society, including U.S. and Ohio history, the foundations of American representative government, how to disagree in a civil manner, and the principles of civil discourse;

2. Artificial intelligence, STEM, and computational thinking;

3. Entrepreneurship and the principles of innovation;

4. Workforce readiness, including fundamental skills necessary for Ohio's graduates to gain employment in in-demand occupations.

Each board of trustees must, by June 30, 2026, adopt a resolution summarizing the changes made to its general education curriculum as a result of the evaluation process. A copy of that resolution must be submitted to the Chancellor. The bill subjects any adjustments to the curriculum to the Chancellor's program approval process as well.

The Chancellor must provide a copy of each resolution submitted under the process to the Governor, Speaker of the House, and President of the Senate.

Guaranteed admission

(R.C. 3345.06)

The bill guarantees each high school graduate who is in the top 10% of their graduating class as determined by the Chancellor admission to any state institution of higher education. If the student does not meet the standards for unconditional admission, a state university may delay main campus admission and instead admit the student to a university branch campus.

The bill also guarantees admission to the main campus of any state institution of higher education for each recipient of the Governor's Merit Scholarship.

Under continuing law, generally, state universities must accept for undergraduate coursework students who complete the requirements for high school graduation. If a state university determines a student needs academic remedial or developmental coursework, the university may delay admission or conditionally admit a student upon the student's completion of that coursework at a university branch, community college, state community college, or technical college.

Co-Op Internship Program

(R.C. 3345.83)

The bill requires each state institution of higher education to develop and implement a Co-Op Internship Program by the 2027-2028 academic year. The program must align with JobsOhio's target economic sectors and connect students with Ohio-based employers to facilitate work-based learning opportunities related to the student's course of study. This may include apprenticeships, internships, externships, and co-ops. The bill requires institutions to work with JobsOhio to develop and implement their program, including identifying industry and employer partners.

The bill requires the Chancellor to consult with JobsOhio and other appropriate stakeholders to develop the goals, structure, and parameters of the program. The Chancellor may consult with other stakeholders as well.

The bill requires each institution annually to issue a report to the Chancellor on the status of the program beginning June 30 following the academic year in which the program is implemented. This report must include the number of participating students, which employers are partnering with the institution, and the number of participating students that have received or accepted offers of post-graduation employment as a direct result of their participation in the program.

Co-Op/Internship annual report

(R.C. 3333.041)

The bill eliminates the annual report on the academic and economic impact of the Ohio Co-Op/Internship Program. Under current law, the Chancellor must submit an annual report on

the program to the Governor and the General Assembly. It must include progress and performance metrics for each initiative that received an award in the previous fiscal year; economic indicators of the impact of each initiative, and all initiatives as a whole, on the regional economies and the statewide economy; and the Chancellor's strategy in allocating awards among state institutions of higher education and how the actual awards fit that strategy.

Curricular approval process

(R.C. 3345.451)

The bill requires each state institution board of trustees to adopt a curricular approval process to establish and modify academic programs, curricula, courses, general education requirements, and degree programs. The bill declares that a board of trustees has unilateral and ultimate authority to establish new academic programs, schools, colleges, institutes, departments, and centers at the institution. Further, the bill prohibits a board of trustees from delegating the board's authority to adopt a curricular approval process or to approve or reject academic programs. The curricular approval process adopted under the bill must do the following:

- Grant the faculty senate, or comparable representative body, the opportunity to provide advice, feedback, and recommendations on the establishment and modification of academic programs, curricula, courses, general education requirements, and degree programs;
- Clarify that all feedback and recommendations by the faculty senate, or comparable representative body, is advisory in nature; and
- Retain the board's final, overriding authority to approve or reject any establishment or modification of academic programs, curricula, courses, general education requirements, and degree programs.

Each board of trustees must develop its initial curricular approval process within six months of the bill's effective date and update it every five years. The bill permits the state institution's president to grant a one-month extension to the initial six-month deadline. The board must submit each completed version of the curricular approval process to the Chancellor.

Fiscal caution status

(R.C. 3345.71 and 3345.721)

The bill requires the Chancellor, in consultation with OBM, to adopt rules that include:

1. Criteria for determining when to review and, if necessary, declare a state institution of higher education under fiscal caution. The criteria may include:

a. A significant drop in enrollment from the prior year;

b. A decline in enrollment for consecutive years;

c. A significant increase in enrollment;

d. A significant increase in adjunct faculty;

e. An increase in student complaints;

f. An increase in the number of or a notable presence of third-party providers, which may include online program managers;

g. Federal financial aid processing delays;

h. Reduced or increased reliance on State Share of Instruction;

i. Receipt of substantial nonrecurring revenue, from any source, that could signify a structural budget deficit;

j. A delay in completing a yearly audit even if granted an extension;

k. A lack of proper institutional segregation of critical duties, functions, or responsibilities; and

l. Significant turnover of faculty, staff, or administrators.

2. A requirement that a state institution declared to be on fiscal caution submit a financial recovery plan, within a defined period of time after the declaration as determined by the Chancellor, that may include:

a. Projections of revenue and expenditures over a three-year time horizon and on such other time horizons as may be requested by the Chancellor;

b. A comprehensive review of current staffing levels and a five-year historical summary of staffing levels;

c. A review of the most recent submission of institutional recommendations for courses and programs based on enrollment and duplication with other state institutions, as required under continuing law,[82] and submission of revised recommendations as determined to be necessary;

d. A review of any approved tuition waivers or scholarship programs;

e. A plan to reduce expenditures over a six-month, 12-month, 18-month, and 24-month period, as necessary, to align ongoing revenue with ongoing expenses;

f. A review of contracts that are the largest portion of the state institution's expenditures; and

g. A program viability analysis, or analyses, as determined by the Chancellor to be necessary in accordance with law unchanged by the bill.[83]

3. A requirement that a state university institution declared to be on fiscal caution submit a three-year forecast of revenues and expenditures, approved in a resolution adopted by the university's or college's board of trustees. The three-year forecast must be structurally balanced

[82] R.C. 3345.35, not in the bill.

[83] R.C. 3333.073, not in the bill.

based on a set of underlying assumptions, including enrollment projections, tuition revenue, and state funding levels, that are evidence-based and practicable.

4. A requirement that a state institution declared to be on fiscal caution consult with the Auditor of State regarding any necessary or appropriate steps to bring the books of account, accounting systems, and financial procedures and reports of the institution into compliance with requirements prescribed by the Auditor of State regarding desirable modifications and supplementary systems and procedures pertinent to the university or college. The Auditor of State must provide a written report to the institution's board of trustees outlining the nature of the financial accounting and reporting problems of the university or college and recommendations for actions to be undertaken to correct the financial accounting and reporting problems. If requested by the institution or recommended by the Chancellor, the Auditor of State may additionally perform a performance audit of the institution.

5. A requirement that for the duration of a fiscal caution, a state institution must submit regular reports on any of the above matters or new matters identified by the Auditor of State or the Chancellor as contributing to the reason for the declaration, preventing the recovery of the institution, or the inability to be removed from fiscal caution; and

6. Criteria for determining when to declare the termination of the fiscal caution of a state institution.

The bill requires a state institution to provide the Chancellor with all information requested in the time and manner determined by the Chancellor. Failure to comply in a satisfactory manner, as determined by the Chancellor, may result in a declaration of a fiscal watch.[84] The bill also permits the Chancellor to impose limitations on a state institution that fails to comply with the law or rules adopted regarding fiscal cautions or that fails to take decisive action to improve the institution's financial condition. Those limitations may include:

1. Limitations on eligibility to participate in grants and programs administered by the Chancellor;

2. Limitations on approval of a new degree program or associated certificates;

3. Suspension of additional enrollment in an educational program;

4. Restriction of an increase in any special fee or a creation of a new fee;

5. Limitations on the power of the board of trustees to enter into any new or renewed contracts without prior approval from the Chancellor; and

6. Withholding approval of any Controlling Board request for capital projects.

[84] R.C. 3345.72, not in the bill.

Use of financial indicators to evaluate institutions

(R.C. 3345.74)

The bill requires the Chancellor to use the financial indicators and standards adopted by the Chancellor under continuing law to determine if a state institution board of trustees has taken any action related to pausing or stopping enrollment, submitted a withdrawal of accreditation, or taken any other action indicating it will no longer offer educational activity or will undergo a wind down and dissolution of existence.

Under continuing law, the Chancellor must adopt financial indicators and standards used to determine whether a state university or college under a fiscal watch is experiencing sufficient fiscal difficulties to warrant the appointment of a conservator.[85]

Fiscal integrity of state institutions

(R.C. 3345.79)

The bill declares pursuant to the authority of the General Assembly to provide for the public health, safety, and welfare, that it is the public policy and a public purpose of the state to require fiscal integrity of state institutions so that they can educate students, pay when due principal and interest on their debt obligations, meet financial obligations to their employees, vendors, and suppliers, and provide for proper financial accounting procedures, budgeting, and taxing practices. The failure of a state institution to so act is determined under the bill to adversely affect the health, safety, and welfare of the students and other people of the state.

The bill permits the Chancellor to make recommendations, and the Controlling Board to grant money from, the catastrophic expenditures account to any state institution that suffers an unforeseen catastrophic event that severely depletes the institution's financial resources. The Chancellor must make recommendations for the grants in accordance with rules adopted by the Chancellor, after consulting with the OBM Director. A state institution cannot be required to repay any grant awarded under this process, unless it receives money from the state or a third party, including an agency of the federal government, specifically for the purpose of compensation the institution for revenue lost or expenses incurred as a result of the unforeseen catastrophic event.

Governance authority requirements

(R.C. 3345.75)

The bill requires a governance authority appointed for a state institution of higher education under conservatorship to include one member with expertise in academic affairs and accreditation and one member with expertise in either state agency budgets or state institution finances.

The bill also requires a governance authority to include in its quarterly report if the governance authority determines closure is necessary or, if the governance authority is

[85] R.C. 3345.73, not in the bill.

appointed to facilitate an orderly closure, as determined to be necessary by the board of trustees prior to the governance authority's appointment, all matters related to compliance with the requirements of a closure of an institution of higher education as specified by the Chancellor.

Under continuing law, a governance authority appointed for a state institution must submit a quarterly report to the Chancellor, the Governor, the Speaker and Minority Leader of the House, and the President and Minority Leader of the Senate, that sets forth information on the general conditions of the college, expenses, progress with improvements, and matters the governance authority considers useful.

Student record preservation plans

(R.C. 1713.033, 3332.17, and 3345.601)

The bill requires each state institution and private nonprofit college or university to annually certify to the Chancellor, and each private for-profit career college and school to annually certify to the State Board of Career Colleges and Schools, a plan to preserve student records indefinitely if it was to cease operations. The plan must include the designation and signed confirmation of an official custodian of student records. If the Chancellor determines it necessary for a state institution or nonprofit college or university, of the State Board determines it necessary for a career college or school, the Chancellor or the State Board may require an institution to produce an executed agreement with the designated custodian of students that is paid in full, to ensure the institution's plan can be implemented.

The bill permits the Chancellor to consult with the Higher Learning Commission, the State Board of Career Colleges and Schools, and other appropriate entities to establish plans, processes, and procedures for institutions and schools to provide indefinite access to student records. Similarly, the State Board's Director may consult with the Chancellor, the Higher Learning Commission, and other appropriate entities for the same purposes.

Higher education institution program review

(R.C. 1713.041, 3332.21, and 3333.074)

Annual reporting

The bill requires each state institution of higher education, private nonprofit college or university, and for-profit career college or school to annually report information to the Chancellor and, for for-profit career colleges and schools, to the State Board of Career Colleges and Schools. This information includes all of the following:

1. Verification of current accreditation status and a copy of the most recent institutional report from the Higher Learning Commission, for state institutions, or from the institution's accrediting organization, for private nonprofit colleges or universities and for-profit career colleges and schools;

2. A plan to preserve student records indefinitely in the event of closure of the institution or discontinuation of service. The plan must include a method by which students and alumni of the institution may retrieve student records by request. The plan also must include a designation and signed confirmation of an official custodian of student records. Student records preserved

under the plan must include academic transcripts, financial aid documents, international student forms, and tax information;

3. The results of any external degree program evaluations that occurred in the last year;

4. Any degree programs eliminated in the last year; and

5. Any other information requested by the Chancellor or, for for-profit career colleges and schools, the State Board.

Private nonprofit colleges and universities and for-profit career colleges and schools must also provide a list of current degree programs offered in Ohio and the latest financial statement for the most recent fiscal year compiled and audited by an independent certified public accountant, including any management letters provided by the independent auditor.

If a state institution fails to submit the required information, or if the Chancellor finds the information is insufficient, the Chancellor may rescind program approval. If a private nonprofit college or university fails to submit the required information or the Chancellor finds the submitted information is insufficient, the Chancellor may suspend, withdraw, or revoke the college or university's institutional authorization or a program's authorization. If a for-profit career college or school fails to submit the required information or the State Board or the Chancellor finds the submitted information is insufficient, the State Board may suspend, withdraw, or revoke a school's certificate of registration or program authorization.

Notice requirements

The bill requires each state institution, private nonprofit college or university, and for-profit career college or school to immediately inform the Chancellor and, for for-profit career colleges and schools, the State Board, if the institution does any of the following:

1. Receives notice from the federal government or an institutional accrediting organization that the institution is subject to heightened reporting standards or special monitoring status, such as the U.S. Department of Education's heightened cash monitoring process;

2. Receives preliminary or final accreditation findings;

3. Becomes the subject of an investigation by a government agency related to the institution's academic quality, financial stability, or student consumer protection;

4. Fails to make any payments to applicable retirement systems. For state institutions, the bill presents the Public Employees Retirement System or the State Teachers Retirement System as examples;

5. Fails to make any scheduled payroll payments;

6. Fails to make any payments to vendors when due as a result of a cash deficiency or a substantial deficiency in the payment processing system of the institution;

7. Fails to make any scheduled payment of principal or interest for short- or long-term debt;

8. Makes budget revisions resulting in a substantially reduced ending fund balance or larger deficit; or

9. Becomes aware of significant negative variance between the most recently adopted annual budget and actual revenues or expenses as projected at the end of the fiscal year.

A state institution must also immediately notify the Chancellor if the institution requests an advance of a state subsidy.

The bill clarifies that a document received by the Chancellor or the State Board from a state institution, private nonprofit college or university, or for-profit career college or school pertaining to heightened reporting standards, special monitoring status, accrediting findings, or government investigations that is confidential under federal law is not subject to release under a public record request until such time as that document is released publicly to the appropriate entity. Further, for private nonprofit colleges and universities and for-profit career colleges and schools, financial documentation received by the Chancellor is not considered a public record under the bill.

Contracts with online program managers

(R.C. 1713.03, 1713.032, 3332.22, and 3333.0420)

The bill generally defines a "contractual agreement" as a contract in which (1) a private nonprofit college or university holding a certificate of authorization, or seeking a certificate of authorization, (2) a for-profit career college or school that holds a certificate of registration from or is authorized to offer a certificate, diploma, or degree under a certificate of authorization issued by the State Board of Career Colleges or Schools, or (3) a state institution of higher education, grants an online program manager input on or authority over specified components for an academic program. Those components vary slightly for each type of institution. The table below lists the applicable components under the definition of "contractual agreement" for each type of institution.

Components under a "contractual agreement"		
Private nonprofit college or university	**For-profit career college or school**	**State institution of higher education**
Grants an online program manager authority over: ▪ Curriculum development, design, or maintenance; ▪ *Student recruitment, assessment, and grading;* ▪ Course assessment;	Grants an *unaccredited* online program manager authority over: ▪ Curriculum development, design, or maintenance; ▪ *Student assessment and grading;* ▪ Course assessment;	Grants an online program manager authority over: ▪ Curriculum development, design, or maintenance; ▪ *Student instruction;* ▪ Course assessment; ▪ Admissions requirements;

Components under a "contractual agreement"		
Private nonprofit college or university	**For-profit career college or school**	**State institution of higher education**
▪ Admissions requirements; ▪ Appointment of faculty; ▪ Faculty assessment; ▪ Decision to award course credit or credential; ▪ Institutional governance; or ▪ *Instruction.*	▪ Admissions requirements; ▪ Appointment of faculty; ▪ Faculty assessment; ▪ Decision to award course credit or credential; or ▪ Institutional governance.	▪ Appointment of faculty; ▪ Faculty assessment; ▪ Decision to award course credit or credential; or ▪ Institutional governance.

The bill defines "online program manager" as a for-profit entity in a contractual agreement to develop or administer curriculum for online courses or programs on behalf of (1) a private nonprofit college or university or (2) a state institution. "Online program manager" is not defined for a for-profit career college's or school's contractual agreements.

Requirements for private nonprofit colleges or universities

The bill requires each private nonprofit college or university, in its annual report to the Chancellor, to disclose any online program manager it has contracted with to provide instruction to its students. The bill also permits the Chancellor to request a private nonprofit college or university to provide the Chancellor with all information concerning a contractual agreement, including a copy of the agreement.

The bill requires the Chancellor to develop materials regarding the risks inherent in contractual agreements and implementation of such agreements that relate to compliance with standards, rules, and laws regarding program approval, including the consequences of offering an unapproved program. Prior to entering into a contractual agreement, a college or university must attest to its review of those materials. A college or university intending to enter into a contractual agreement for an academic program also must, to the extent practicable, endeavor to provide a notification of that intent to the Chancellor at least 30 days before entering an agreement.

Upon entering a contractual agreement, the college or university must immediately provide a copy of the agreement to the Chancellor, and any other documentation requested by the Chancellor related to ensuring compliance with standards, rules, and laws. Any contractual agreement entered after the effective date of the section must include a provision that grants the college or university the authority to invalidate the contract if the online program manager does not provide curricula that align with the approved program. The college or university must ensure each academic program is offered in the manner approved by the Chancellor or must

formally request approval of a significant change to the previously approved program or approval of a new academic program.

The college or university also must post on its web site that it utilizes an online program manager. However, the bill specifies that contractual agreements entered by private, nonprofit institutions are not subject to the public records law.

The Chancellor may prescribe the form and manner by which the requirements described above may be satisfied, including standardized forms and timelines.

Requirements for for-profit career colleges and schools

The bill requires each for-profit career college or school to annually disclose to the State Board of Career Colleges and Schools any unaccredited online program manager the college or school has contracted with to provide instruction to its students. The bill also permits the State Board to request a college or school to provide the State Board with all information concerning a contractual agreement, including a copy of the agreement.

Under the bill, a college or school intending to enter into a contractual agreement for an academic program must submit appropriate documentation as requested by the State Board and obtain the State Board's approval prior to entering into the agreement.

If a college or school enters into a contractual agreement under the bill, the agreement must include a provision that requires it to maintain responsibility for and oversight of the academic program. The college or school must also ensure each academic program is offered in the manner approved by the State Board or must formally request approval of a significant change to the previously approved program or approval of a new program.

Under the bill, a college or school that enters into a contractual agreement must notify students which parties are providing instruction, recruitment, and other services under the agreement.

The bill prohibits a college or school from entering into a contractual agreement unless the agreement includes a provision granting the State Board the authority to invalidate the contract if the agreement is not in compliance with the standards and procedures for academic program authorization.[86] If the State Board invalidates a contract, the college or school may not enroll new students and must offer current students either remediated instruction at no cost to the student or a full refund in tuition.

The bill requires the State Board to coordinate with the Chancellor to implement each of the requirements described above.

Requirements for state institutions of higher education

The bill requires each state institution of higher education to annually report to the Chancellor each contractual agreement the institution entered into in that year. The bill also

[86] R.C. 3332.05, not in the bill.

permits the Chancellor to request a state institution to provide the Chancellor with all information concerning a contractual agreement, including a copy of the agreement.

The bill permits the Chancellor to require each state institution to submit a contractual agreement prior to the execution of the agreement for a review to ensure compliance with the standards and procedures for academic program approval.

The bill requires a state institution to include in each contractual agreement a provision that requires it to maintain responsibility for and oversight of the academic program as specified in the standards and procedures for academic program approval used by the Chancellor. A state institution must ensure each academic program is offered in the manner approved by the Chancellor or formally request approval of a significant change to a previously approved program or approval of a new academic program.

Under the bill, a state institution that enters into a contractual agreement must notify students which parties are providing instruction, recruitment, and other services under the agreement.

The bill prohibits a state institution from entering into a contractual agreement unless the agreement includes a provision granting the Chancellor the authority to invalidate the contract if the contract was not approved by the Chancellor if the Chancellor determines the agreement is not in compliance with the standards and procedures for academic program approval. If the Chancellor invalidates a contract, the state institution may not enroll new students and must offer current students either remediated instruction at no cost to the student or a full refund in tuition.

College credit for military training, experience, and coursework

(R.C. 3333.164)

The bill permits the Chancellor to require a state institution of higher education, private nonprofit college and university, and private, for-profit career college and school to establish a process to systematically evaluate military training, experience, and coursework and to award appropriate equivalent college credit to a student who is a veteran of the armed forces. The Chancellor may adopt rules to implement those requirements.

Background

Continuing law requires the Chancellor to develop a set of standards and procedures for state institutions to utilize regarding military training and college credit.

Strategic Square Footage Reduction Fund

(R.C. 3333.96 and 3334.11)

The bill creates in the state treasury the Strategic Square Footage Reduction Fund to make revolving loans to state institutions of higher education that enable the voluntary reduction of physical square footage. The fund must consist of money credited or transferred to it, grants, gifts, and contributions made directly to it, or any funds transferred from the Ohio Tuition Trust Reserve Fund.

The bill requires the Chancellor to administer and award, in consultation with the Ohio Facilities Construction Commission (FCC), the revolving loans and requires the Chancellor to establish all of the following:

1. Procedures and forms by which state institutions may apply for a loan;

2. A competitive process for ranking applicants and awarding the loans, with priority consideration given to state institutions that have experienced a decrease in their general student population, as determined by the Chancellor; and

3. Procedures and timelines for distributing loans and collecting payments for the Strategic Square Footage Reduction Fund.

Application

The bill requires each state institution to include in its application all of the following:

1. The extent to which the square footage may have value if sold or reallocated to serve other purposes, which may include K-12, career-technical, or adult educational purposes, community interests, or business and industry partnerships;

2. The relative age and condition of the facilities to be deconstructed;

3. Historical enrollment patterns as well as future enrollment projections;

4. The composition of classes offered in person versus in an online format;

5. The level of deferred maintenance;

6. The prior level of state investment;

7. The amount of annual operating expenses defrayed by eliminating the square footage; and

8. A report from OBM detailing the extent and status of past capital budget appropriations supporting the project and the existence of any outstanding bonded debt derived from that support.

The Chancellor and the FCC must consider this information supplied by a state institution in its application when making final awards.

Loan requirements

Each state institution that receives a loan must certify to the Chancellor, on a date and in a form and manner prescribed by the Chancellor, a summary of financial information regarding the loan. Prior to a state institution using the loan to pay demolition costs of a facility, the following must occur:

1. The board of trustees of the state institution must adopt a resolution approving the demolition; and

2. Any net proceeds received from any demolition of property must, at the direction of the Director of OBM, be credited to a fund or funds in the state treasury or to accounts held by the state institution.

The bill prohibits each state institution that is receiving a loan for the reduction of physical square footage from constructing any new facility during the period in which demolition is occurring.

Transfer of funds from the Ohio Tuition Trust Reserve Fund

The bill requires the Treasurer of State, upon request by the Chancellor and approval by the Director of OBM, to transfer funds from the Ohio Tuition Reserve Fund to the Strategic Square Footage Reduction Fund.

Ohio Tuition Trust Fund and the Ohio Constitution

The Ohio Tuition Trust Fund and the Ohio Tuition Reserve Fund are used to support the Guaranteed Savings Plan Program. The Ohio Constitution and continuing law establish that program to allow individuals to open accounts to purchase tuition units that can be redeemed against the cost of tuition at state institutions of higher education. However, in 2003, the opening of accounts and sale of units were suspended, in accordance with continuing law, due to concerns about the program's actuarial soundness.

Article VI, Section 6(B) of the Ohio Constitution requires that any assets maintained in the Ohio Tuition Trust Fund be used solely for the purposes of that fund and provides that, upon the Guaranteed Savings Plan Program's termination, any funds left In the Trust Fund must be transferred to the General Revenue Fund. The Ohio Tuition Trust Reserve Fund is a subfund of the Ohio Tuition Trust Fund.

Eastern Gateway Community College

(R.C. 3354.24, repealed; conforming change in R.C. 3354.19; Sections 105.10, 381.730, and 733.40)

The bill addresses the recent decision to dissolve Eastern Gateway Community College in several ways. First, it provides for the repeal of the law establishing Eastern Gateway, effective June 30, 2027. It also requires the Chancellor, in consultation with postsecondary educational institutions and other stakeholders, to monitor and evaluate the ongoing availability of postsecondary educational offers in Eastern Gateway's former four-county service district.

To the extent practicable, the Chancellor must seek to ensure strong continuity of postsecondary educational access to residents of the district, with a particular focus on access to programs aligned with regional workforce priorities. If determined necessary, the Chancellor may seek favorable outcomes by engaging with other postsecondary educational institutions to encourage access to educational opportunities, including outcomes associated with academic program offers, program-related equipment, or physical facilities.

Finally, the bill specifically states that nothing prohibits any other community, state community, or technical college from serving Eastern Gateway's former district. Though, such college is still subject to the Chancellor's academic program approval process and must seek approval under rules adopted by the Chancellor.

Eastern Gateway was established in H.B. 1 of the 128th General Assembly, effective October 16, 2009, the main appropriations act of that biennium. That act added Columbiana,

Mahoning, and Trumbull counties to the existing territory of Jefferson Community College's district (Jefferson County), renamed Jefferson Community College as Eastern Gateway Community College, and established a new board of trustees to operate the college.

According to the Department of Higher Education's website, Eastern Gateway announced a pause in registration and enrollment for future semesters on February 21, 2024. On May 15, 2024, it further announced it would dissolve by October 31, 2024, with all instruction ending no later than August 31, 2024. For more information see Eastern Gateway Community College Information on the Department's website: highered.ohio.gov.

AI Integration in Community Colleges Grant Program

(Section 381.165)

The bill requires the Chancellor to create the Artificial Intelligence Integration in Community Colleges Pilot Grant Program to provide financial assistance to community colleges to implement artificial intelligence initiatives. It requires the Chancellor to award five competitive grants of $100,000 each in each year to community colleges, technical colleges, and state community colleges.

The bill requires the Chancellor to establish procedures and criteria for awarding the grants, with preference given to community colleges that show a strong commitment and track record to integrating artificial intelligence into education, workforce development and industry alignment. The bill permits the funds to be used for:

1. Integrating AI curriculum into credential programs;

2. Establishing AI-based College Credit Plus Program offerings;

3. Training faculty and staff on the uses of AI technologies relevant to local industry or state needs;

4. Supporting students with practical AI skills through certifications and project-based learning;

5. Purchasing AI hardware and software;

6. Utilizing AI in streamlining administrative functions and student services; and

7. Contracting with vendors to provide any or all of these services.

The Chancellor must monitor grant recipient performance and submit a report with legislative recommendations for further development of the pilot program to the General Assembly upon the completion of the program.

College Credit Plus Program

(R.C. 3365.15; Section 381.720)

Compliance

The bill permits the Chancellor, in consultation with the Director of Education and Workforce, to take action as necessary, to ensure that state institutions of higher education and school districts are fully engaging and participating in the College Credit Plus Program (CCP).

These actions may include publicly displaying program participation data by district and institution. Under new law taking effect on February 25, 2025, the Chancellor is *required* to, in consultation with the Department of Education and Workforce, take action as necessary to ensure that state institutions and secondary schools are fully engaging and participating in CCP. These actions also may include publicly displaying program participation data by district and institution.[87]

Model pathways

For the "model pathways" required under continuing law, the bill continues the requirement established in H.B. 33 of the 135th General Assembly in 2023 for the Chancellor and Director to work with public secondary schools and partnering state institutions, as necessary, to encourage the establishment of model pathways that prepare participants to successfully enter the workforce in certain fields – which may include any of the following:

1. Engineering technology and other fields essential to the superconductor industry;

2. Nursing, with particular emphasis on models that facilitate a participant's potential progression through different levels of nursing;

3. Teaching and other related education professions;

4. Social and behavioral or mental health professions;

5. Law enforcement or corrections; and

6. Other fields as determined appropriate by the Chancellor and Director, in consultation with the Governor's Office of Workforce and Transformation.

The bill also requires students enrolled under a statewide innovative waiver pathway to follow a model pathway, with specific priority on pathways aligned with engineering technology and other fields essential to the superconductor industry.

Under continuing law, each public secondary school, in consultation with at least one partnering state institutions, is required to develop two model pathways for courses offered under CCP. One model pathway must be a 15-credit hour pathway and one must be a 30-credit hour pathway. Pathways may be organized by desired major or career path and may include various core courses required for a degree or professional certification by the college. Continuing law does not prescribe specific professional fields for model pathways. Continuing law also permits one or more state institutions or private colleges, in collaboration with at least one industry partner, to propose a CCP statewide innovative waiver pathway to the Chancellor for approval. Continuing law permits any public or nonpublic secondary school or state institution or private college to use an approved pathway.[88]

[87] R.C. 3365.14, not in the bill.

[88] R.C. 3365.13 and 3365.131, not in the bill.

Annual CCP outcomes report

The bill eliminates the December 2023 sunset on the law requiring the Chancellor and the Department of Education and Workforce to submit a report on the outcomes of CCP to the Governor, the Senate President, the Speaker of the House, and the chairs of the Senate and House education committees. As a result, the report permanently must be submitted by the end of December each year.

Higher Education Research Public Policy Consortium

(R.C. 3333.952)

The bill requires the Chancellor, in consultation with the Department of Education and Workforce, Department of Job and Family Services, the Inter-University Council, the Association of Independent Colleges and Universities, and other relevant entities, to establish the Higher Education Public Policy Research Consortium. The Consortium must develop and maintain a biennial statewide research agenda that identifies key policy challenges and research priorities that are crucial to the state's future, drawing on input from policymakers, practitioners, and community stakeholders. The goals of the agenda are to:

1. Provide policymakers and practitioners with timely, relevant, and rigorous research findings on problems of significant importance to the state's citizens, enabling informed decision-making and effective policies;

2. Increase the active engagement of the state's higher education institutions in addressing real-world issues of direct relevance to the state's social, economic, and civic well-being, fostering a stronger connection between academia and public service; and

3. Cultivate the next generation of policy-focused researchers and practitioners by providing valuable research and opportunities to faculty and post-graduate students.

The bill requires the Chancellor to:

1. Award competitive research grants of up to $10,000 to faculty and post-graduate students whose research aligns with the biennial statewide research agenda, with half of the grant to be disbursed upon grant approval and the remaining half released upon successful completion of the research and submission of the final report;

2. Award grants in a tiered structure based on project scope and complexity;

3. Establish a clear rubric to evaluate proposed research projects that contains a peer-reviewed process, involving both academic experts and relevant practitioners; and

4. Manage the grant process and disseminate research findings through the Department's website, policy briefs, annual presentations to the higher education committees of the House and Senate, and community forums.

Direct Admissions Pilot Program

(Section 381.770)

Purpose

The bill requires the Chancellor, in consultation with the Director of Education and Workforce, to establish the Direct Admissions Pilot Program. Under the pilot program, the Chancellor must determine whether high school seniors in participating schools meet the admissions criteria for participating postsecondary institutions. The Chancellor then must notify participating students of the determination. The bill expressly prohibits requiring any student, school, or institution from participating in the pilot program.

Operation

To facilitate the pilot program, the Chancellor must establish a process that uses a student's academic record to determine whether the student meets the admissions requirements. To the extent practicable, and in accordance with applicable law, the Chancellor must use existing student information systems to automate the process. The Chancellor also must use information held by the student's school to minimize the need for a student to provide additional information.

The bill authorizes the Chancellor to establish eligibility requirements for students, schools, and postsecondary institutions who elect to participate in the pilot program. The Chancellor also may consult with stakeholders and form advisory councils as necessary to design and operate the pilot program.

The Chancellor must "endeavor" to implement the pilot program so students graduating in the 2026-2027 school year may participate in it. Conversely, the bill also authorizes the Chancellor to terminate the pilot program if it is impracticable to operate.

Participating schools and institutions

The bill permits any school district, community school, STEM school, or chartered nonpublic school to apply to participate in the pilot program. Similarly, any state institution of higher education, private nonprofit college or university, or Ohio technical center may apply to participate. The Chancellor must approve the application of any school or institution that meets any eligibility requirements established by the Chancellor.

The governing body of a participating district or school may adopt a policy authorizing any high school it operates to participate in the pilot program. Within 90 days of adopting a policy, the governing body must transmit it to the Chancellor and the Director. The governing body also must develop a procedure to determine whether a student who wants to participate in the pilot program meets any eligibility requirements established by the Chancellor.

Report

The Chancellor, in consultation with the Director, must issue a report on the pilot program at least once each school year by a date set by the Chancellor. The report must include information about the number of students who participate in the program. It also must evaluate, to the extent practicable, the impact of the pilot program on postsecondary outcomes for

students from populations traditionally underserved in higher education. The Chancellor must submit the report to the Governor, the Senate President, the Speaker of the House, the Director of Education and Workforce, the OBM Director, and the Governor's Office of Workforce Transformation.

Accelerated College and Career Pathways Program

(R.C. 3333.97 and 3345.88)

The bill establishes the Accelerated College and Career Pathways Program. Under the program, each state university must establish at least one accelerated 90-hour degree program aligned to an in-demand career area by the 2026-2027 academic year. Each university has authority over the number and types of accelerated degrees to be offered.

The bill requires each state university to:

- Include accelerated 90-hour degree programs in course and program catalogues;
- Ensure accelerated 90-hour degree programs are properly accredited and meet the requirements set by the Chancellor for those programs under the bill; and
- Work collaboratively with local and regional business community partners to identify in-demand career areas during program development;

Each state university also must report to the Chancellor data related to accelerated degree programs, including:

- The accelerated 90-hour degree programs the state university offers;
- The number of students participating in each program;
- The number of students that complete each program;
- Any additional information required by the Chancellor.

Model College Credit Plus Pathways

The bill requires each state university to develop, in consultation with local and regional primary and secondary education partners, model College Credit Plus (CCP) pathways that are aligned with the accelerated 90-hour degree programs offered by the state university and regional and state workforce needs. Each public and participating nonpublic secondary school must include those model CCP pathways as part of the CCP information schools must provide to students enrolled in grades 6-11 and their parents prior to February 1 each year under continuing law.

The bill prohibits the Chancellor from distributing SSI funds to a state university in any fiscal year that the university does not comply with the Accelerated College and Career Pathways Program, as determined by the Chancellor.

Program criteria and technical support

Under the bill, the Chancellor must determine and provide the criteria for approving accelerated 90-hour degree programs established under the program. The Chancellor also must

provide technical assistance to each state university during the development of accelerated 90-hour degree programs and aligned model CCP pathways. Finally, the Chancellor must publish annually on the Chancellor's website the information reported by the state universities.

Credit transfer

The Chancellor also must identify how students can count credit earned in high school, a nontraditional training program, another state institution of higher education, or work experiences as part of a state university's 90-hour degree programs. Each university must then accept credit from incoming students that meet the criteria identified by the Chancellor.

Centers for Civics, Culture, and Society

(R.C. 3335.39, 3339.06, 3344.07, 3352.16, and 3364.07; Section 381.415)

The bill makes several changes regarding the operation of the Cleveland State University Center for Civics, Culture, and Society, Miami University Center for Civics, Culture, and Society, Salmon P. Chase Center for Civics, Culture, and Society at Ohio State University, the Institute of American Constitutional Thought and Leadership at the University of Toledo, and the Wright State University Center for Civics, Culture, and Workforce Development ("Civic Centers").

Plan to Benefit Ohio

The bill requires the Chancellor to consult with the directors, or director designees, of the Civic Centers to evaluate the extent to which the centers may be leveraged for Ohio's benefit. Each director, or designee, must submit to the Chancellor a summary of recommendations and a plan to achieve maximum state benefit by March 31, 2026. The plan must include options to establish programming at other state institutions of higher education such as seminars, lectures, student courses, and assisting faculty with curriculum development or sharing of curricula developed by the centers. In developing the summary and plan, the centers must seek to achieve the broadest geographic coverage possible.

Effective July 1, 2026, the Chancellor may require centers to engage in activities in their summary of recommendations. Each center must use a portion of its state funding to benefit the entire state. Each center also must report in its annual report the percentage of its state funds used to assist other universities and a summary of types of services and benefits provided.

Curriculum

The bill requires the directors of the Civic Centers to approve the center's courses that meet the university's general education requirements, in addition to overseeing, developing, and approving the center's curriculum.

Salmon P. Chase Center location

The bill eliminates the requirement that the Salmon P. Chase Center for Civics, Culture, and Society within Ohio State University be physically located in the College of Public Affairs.

Attainment level report

(R.C. 3333.0415)

The bill eliminates the requirement for the Chancellor, in collaboration with the Department of Education and Workforce, to prepare an annual report regarding the progress Ohio is making in increasing the percentage of adults in the state with a college degree, industry certificate, or other postsecondary credential to 65% by 2025. Instead, the bill requires the Chancellor, in collaboration with the Department and the Governor's Office of Workforce Transformation, to establish the level of attainment necessary to achieve identified performance targets across a range of degrees and credentials by December 31, 2025.

Campus security and safety programs reports

(Section 381.220)

The bill requires the Chancellor to submit reports by July 1, 2026, regarding both the Campus Student Safety Grant Program and the Campus Security Support Program to the chairpersons of the House and Senate higher education committees. Each report must include at least information about the number of award recipients and how the funds have been spent under each program.

Under the Campus Security Support Program, the Chancellor distributes funds to institutionally sanctioned student organizations located on or off campus and affiliated with communities that are at risk for increased threats of violent crime, terror attacks, hate crimes, or harassment to enhance security measures and increase student safety.

Under the Campus Student Safety Grant Program, the Chancellor awards grants to institution of higher education to enhance security measures and increase student safety, with priority given to institutions that demonstrate increased threats of violent crime, terror attacks, hate crimes, or harassment toward students and institutionally sanctioned student organizations.[89]

Campus Community Grant Program

(R.C. 3333.801, repealed)

The bill abolishes the Campus Community Grant Program. Under the program, the Chancellor of Higher Education provides funding to institutionally sanctioned student organizations at state institutions of higher education and private colleges to support intergroup and interfaith outreach and cultural competency between institutionally sanctioned student organizations. The program was established under S.B. 94 of the 135th General Assembly, which took effect on October 24, 2024.

[89] R.C. 3333.80, not in bill.

"Teach CS" Grant Program

(R.C. 3333.129)

The bill expands the scope of teachers to which the "Teach CS" Grant Program applies. Under the bill, the purpose of the program is to support increasing the number of teachers who qualify to teach computer science or expanding the knowledge of existing teachers. Originally, the purpose is to fund coursework, materials, and exams to support the increasing number of existing teachers who qualify to teach computer science.

It also clarifies that grant funds may be used for coursework, materials, exams, teacher stipends, performance-based incentives, and other purposes as determined by the Chancellor to support the expansion of computer science education.

OHIO HISTORY CONNECTION

- Requires burial sites used by the Ohio History Connection (OHC) for the repatriation of American Indian remains to have an easement, enforceable by OHC, to preserve the burial sites.
- Exempts records related to such burial sites from disclosure under the Ohio Public Records Act, and excludes them from the 75-year disclosure requirement.
- Explicitly includes such burial sites in the criminal offenses of desecration and vandalism.

Burial sites

(R.C. 149.3010, 149.43, 2909.05, and 2927.11)

Continuing law allows the Ohio History Connection (OHC) to use land under its control as burial sites for repatriating American Indian human remains; the land must be owned or leased (as lessee or lessor) by OHC, or owned by the state and under OHC's custody and control. The bill requires OHC − for any burial site established on or after the bill takes effect − to include a perpetual easement to preserve the land as a burial site. For each burial site established before the bill's effective date, OHC must include a perpetual easement if legally feasible. The easement is enforceable by OHC or by any person assigned by OHC.

The bill also exempts records related to such burial sites from disclosure under the Ohio Public Records Act, which generally requires public offices to make public records available for inspection upon request. The records also are excluded from the 75-year disclosure requirement that makes an exempt record public after 75 years if that record is permanently retained.

Finally, the bill explicitly includes such burial sites in the criminal offenses of desecration (to purposely deface, damage, pollute, or otherwise physically mistreat; a felony) and vandalism (to knowingly cause serious physical harm; a misdemeanor).

DEPARTMENT OF INSURANCE

Licensing

- Eliminates the requirement that applications for a managing general agent (MGA) license or a public insurance adjuster certificate of authority be verified under oath.
- Aligns the deadline for completion of continuing education requirements for long-term care insurance agents with the agent's two-year license renewal period, as opposed to the two-year period beginning January 1.
- Makes selling, soliciting, or negotiating long-term care insurance before satisfying the continuing education requirement an unfair and deceptive practice in the business of insurance, in contrast to current law, under which failing to satisfy the continuing education requirement qualifies as such.

Pharmacy benefit managers (PBMs)

Reimbursement

- Requires pharmacy benefit managers (PBMs), other than the state PBM, to reimburse Ohio-incorporated pharmacies that dispense a drug product for the "actual acquisition cost," i.e., the amount paid to the drug wholesaler, plus a minimum dispensing fee determined by the Superintendent of Insurance.
- Prohibits a PBM from reimbursing an Ohio pharmacy less than the amount the PBM reimburses its affiliated pharmacies for providing the same drug product.
- Allows an Ohio pharmacy to decline to provide a drug product if the pharmacy would be reimbursed less than the required amount.

Violations

- Establishes a procedure by which an Ohio pharmacy may file a formal complaint alleging a violation of the bill's reimbursement requirements or requirements under continuing law concerning disclosure of maximum allowable cost pricing information.
- Requires the Superintendent, following notice and an opportunity for a hearing, to impose an administrative penalty on the PBM of $1,000 per day for each violation.

Retaliation

- Prohibits a PBM from retaliating against an Ohio pharmacy that reports an alleged violation of, or exercises a remedy under, the bill.

Health care provider payment requirements

- Requires a health plan issuer to offer all reasonably available methods of payment to a health care provider, including payment by check and electronic funds transfer.
- Prohibits a health plan issuer requiring payment by credit card.

- Requires a health plan issuer to offer at least one method of payment that does not require the health care provider to pay any associated fee.
- Requires health plan issuers to implement requests to change a payment method within 30 business days.
- Prohibits health plan issuers from charging a fee for implementing a change to a health care provider's payment method.

Reimbursement for certified registered nurse anesthetist services

- Prohibits a health benefit plan from varying the reimbursement rate for a covered service based on whether the service was provided by a certified registered nurse anesthetist or a physician.
- Specifies that the requirement does not prohibit a health benefit plan from establishing varying reimbursement rates based on quality or performance measures.

Licensing

(R.C. 3905.72, 3923.443, and 3951.03)

The bill eliminates the requirement that applications for a managing general agent (MGA) license or a public insurance adjuster certificate of authority be verified under oath of a notary public. An MGA is a specialized type of insurance agent that is vested with underwriting authority from an insurer. A public insurance adjuster is an insurance claimed adjuster employed by the policyholder for appraising and negotiating an insurance claim.

The bill also adjusts the deadlines by which long-term care insurance agents must complete continuing education requirements. Under current law, long-term care insurance agents must complete at least four hours of continuing education every two years beginning on the first day of January immediately following the issuance of the agent's license. Under the bill, the two-year period begins on the date an agent's license is issued.

Under current law, not completing the continuing education requirement by the deadline is an unfair and deceptive practice in the business of insurance. Under the bill, failing to satisfy the requirement is not a violation in and of itself, but rather selling, soliciting, or negotiating long-term care insurance before satisfying the continuing education requirement is the violation.

Pharmacy benefit managers

(R.C. 3959.111, 3959.121, and 3959.01)

Reimbursement

The bill sets a floor for the amount a pharmacy benefit manager (PBM) is required to reimburse a pharmacy, including an independent pharmacy, incorporated or organized in Ohio (an "Ohio pharmacy"). At minimum, a PBM must reimburse the Ohio pharmacy's actual acquisition cost for the drug product plus a minimum dispensing fee for the drug product

determined by the Superintendent of Insurance. Furthermore, the bill prohibits a PBM from reimbursing an Ohio pharmacy less than the amount the PBM reimburses its affiliated pharmacies for providing the same drug product. An Ohio pharmacy may decline to provide a drug product if the pharmacy would be reimbursed less than the amount required by the bill.

The bill defines "actual acquisition cost" as the amount that a drug wholesaler charges a pharmacy for the drug product, as evidenced by a billing invoice. A "drug wholesaler" is a wholesale drug distributor accredited by a nationally recognized nonprofit organization that represents the interests of state boards of pharmacy and to which the Ohio State Board of Pharmacy is a member.

The bill requires the Superintendent to determine a minimum dispensing fee for each drug product based on data collected by the Department of Medicaid in the Department's survey of the dispensing costs of terminal distributors. The Superintendent must publish the amount of the minimum dispensing fee and the dates to which it applies on a publicly accessible website maintained by the Department of Insurance. The first publication must occur within 90 days after the effective date of the provision. Thereafter, the Superintendent must update the minimum dispensing fees each time the Department of Medicaid publishes the results of its survey.

The bill specifies that the reimbursement requirements do not apply if they conflict with a pre-existing contract or agreement. However, if the contract or agreement is renewed or amended after the effective date of the provision, the PBM must ensure that the contract or agreement conforms to the bill's requirements. The bill does not prohibit a PBM from reimbursing a pharmacy more than the required amount.

Violations

The bill establishes a process by which an Ohio pharmacy may file a formal complaint against a PBM that the pharmacy believes to have violated the bill's reimbursement requirements or requirements under continuing law concerning disclosure of information used to determine maximum allowable cost pricing. The Superintendent must evaluate all such complaints based on the information included in the complaint and other information that may be available to the Superintendent.

If the Superintendent determines that a violation occurred, the Superintendent must issue a notice to the PBM with a clear explanation of the violation. Furthermore, after giving the PBM an opportunity for an adjudication hearing in accordance with the Administrative Procedure Act, the Superintendent must impose an administrative penalty of $1,000 for each violation. Each day that the violation continues after the PBM receives notice is considered a separate violation. All penalties collected from PBMs under the bill must be deposited to the Department of Insurance Operating Fund.

Retaliation

If an Ohio pharmacy reports an alleged violation of the reimbursement or disclosure requirements, or refuses to provide a drug product as described above, the bill prohibits any of the following "retaliatory" actions by the PBM:

- Terminating or refusing to renew a contract with the Ohio pharmacy without providing notice at least 90 days in advance;
- Increasing audits of the Ohio pharmacy without providing notice and a detailed description of the reason for the audits at least 90 days in advance;
- Failing to comply with prompt pay laws.

Health care provider payment requirements

(R.C. 3901.3815)

The bill requires health plan issuers to offer all reasonably available methods of payment to a health care provider, including payment by check and electronic funds transfer. Under continuing law, a "health care provider" is a hospital, ambulatory care facility, long-term care facility, pharmacy, emergency facility, or health care practitioner. The bill defines "health plan issuer" to include any entity subject to Ohio insurance laws or the jurisdiction of the Superintendent of Insurance that contracts, or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services under a health benefit plan. The term includes a sickness and accident insurance company, a health insuring corporation, a fraternal benefit society, a self-funded multiple employer welfare arrangement, a nonfederal, government health plan, or a third-party administrator (such as a Pharmacy Benefit Manager) and any vendor contracted by the foregoing. The term excludes plans regulated by the federal "Employee Retirement Income Security Act of 1974" (ERISA), which preempts most state insurance regulations.[90]

The bill prohibits health plan issuers from requiring health care providers to accept payment via credit card, with "credit card" being defined as a single-use or virtual payment card provided in an electronic, digital, facsimile, physical, or paper format. The bill requires health plan issuers to offer at least one method of payment that does not require the health care provider to pay an associated fee. If one of the available payment methods has an associated fee, health plan issuers are required, prior to initiating the first payment or upon changing the payment methods available, to do both of the following:

- Notify the health care provider that there may be fees associated with a particular payment method and disclose the amount of such fees;
- Provide the health care provider with clear instructions as to how to select each payment method either on the health plan issuer's website or through a means other than the contract offered to the health care provider.

If a health care provider requests a change in payment method, the health plan issuer must implement the change within 30 business days. The payment method selected by the health care provider remains in effect until the health care provider requests a different method. The bill prohibits a health plan issuer from charging a fee to change a payment method.

[90] 29 U.S.C. 1144.

Reimbursement for certified registered nurse anesthetist services

(R.C. 3902.631)

The bill prohibits a health benefit plan issued, amended, or renewed on or after the effective date of the provision from varying the reimbursement rate for a covered service based on whether the service was provided by a certified registered nurse anesthetist or a physician. The requirement applies only to covered services that a certified registered nurse anesthetist is authorized to provide. It does not prohibit an insurer from establishing varying reimbursement rates based on quality or performance measures.

Under continuing law, a "health benefit plan" is an agreement offered to provide or reimburse the costs of health care services. The term includes a limited benefit plan, except for a policy that covers only accident, dental, disability income, long-term care, hospital indemnity, supplemental coverage, specified disease, vision care, and other specified types of coverage. The term does not include a Medicare, Medicaid, or federal employee plan.[91]

[91] R.C. 3922.01, not in the bill.

DEPARTMENT OF JOB AND FAMILY SERVICES

Public Assistance

Supplemental Nutrition Assistance Program (SNAP)

Change reporting

- Requires a household receiving SNAP benefits to report to the Department of Job and Family Services (JFS) within 30 days changes in circumstances that may affect eligibility for benefits.
- Prohibits JFS from implementing simplified or quarterly reporting procedures for households receiving SNAP benefits.

Able-bodied adults without dependents work requirements

- Prohibits JFS from seeking, applying for, or renewing a waiver from the work requirements that apply to able-bodied adults without dependents receiving SNAP benefits.
- Prohibits JFS from implementing a federal option under which it may grant exemptions from the work requirements described above.

Exclusion of sugar-sweetened beverages from purchase

- Requires the JFS Director to seek a waiver from the U.S. Department of Agriculture to exclude sugar-sweetened beverages as items that may be purchased under SNAP.
- Requires the JFS Director to reapply for that waiver annually if it is not approved.

Ohio Benefits Program transfer

- Authorizes the Director of Administrative Services to transfer the Director's responsibility for administering the Ohio Benefits Program to the JFS Director.
- Authorizes the OBM Director to make budget and accounting changes to implement the program's transfer and makes an appropriation based on those changes.

Vocational rehabilitation assessment and support services

- Permits the JFS Director to refer certain recipients of SNAP and Ohio Works First (OWF) benefits for vocational rehabilitation assessment and support services.
- Exempts certain benefits recipients from the above requirements if they are determined to be unable to work by the Opportunities for Ohioans with Disabilities agency, or otherwise meet minimum SNAP and OWF work requirements.
- Terminates SNAP or OWF benefits for recipients required to participate in vocational rehabilitation assessment and support services who fail to do so and do not satisfy minimum work requirements for SNAP and OWF.

Adult Protective Services funding formula

- Requires JFS to allocate funds for counties' Adult Protective Services costs according to a specified funding formula based on previous allocations, the percentage of older adults in the county, and the percentage of county residents in poverty.
- Allows the JFS Director to adopt rules on the allocation of funds and expenditure reports.

Youth and Family Ombudsmen Office

- Changes "Youth and Family Ombudsman Office" to "Youth and Family *Ombudsmen* Office."
- Requires the Ombudsmen Office to establish procedures for investigating complaints and to submit its annual report to the DCY Director.
- Allows the Ombudsmen Office to access DCY records.

Ohio Lead Advisory Council

- Removes the representative of JFS's Bureau of Child Care from the Ohio Lead Advisory Council.

Unemployment

Technology and customer service fee

- Requires the JFS Director, for the two-year period beginning on the provision's effective date, to collect a technology and customer service fee of no more than 0.15% of wages paid per covered employee from each contributory employer at the same time and in the same manner as the Director collects employer contributions under continuing law.
- Requires the JFS Director, for the two-year period beginning on the provision's effective date, to collect a technology and customer service fee of no more than $13.50 whenever a nonprofit organization, or group of such organizations, that is a reimbursing employer files or renews a surety bond required under continuing law.
- Requires technology and customer service fees to be deposited into the Unemployment Compensation Special Administrative Fund.

Temporary employees

- Disqualifies certain temporary employees who fail to inquire about available work assignments from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment (instead of just for any week as under current law).

Deadline for submitting unemployment compensation reports

- Establishes August 1 as the deadline by which the JFS Director annually must submit to the Governor and General Assembly specified reports regarding unemployment compensation that are required under continuing law.

Interest on late unemployment employer payments

- Beginning January 1, 2026, changes the annual interest rate for late unemployment employer payments from 14% to the rounded federal short-term rate, not to exceed 15%.

Covered public employers

- Expands the definition of "employer" for purposes of the Unemployment Compensation Law to include any state, its instrumentalities, and its political subdivisions and their instrumentalities (rather than Ohio, its instrumentalities, and its political subdivisions and their instrumentalities as under current law).

Seasonal employment determinations

- Requires the JFS Director to determine whether employment is seasonal based on the application for a determination filed by the employer and any other information available.

Income and Eligibility Verification System

- Requires the JFS Director to disclose wage and claim information, on request, to any state or local agency administering a program included in the Income and Eligibility Verification System (IEVS) that has entered a written data sharing agreement with the JFS Director that meets standards in federal law.
- Eliminates a requirement that the JFS Director adopt rules implementing the IEVS.

Unemployment Compensation Review Commission

- Allows the Department of Public Safety's digitalized photographic records to be released to the Unemployment Compensation Review Commission (UCRC).
- Allows a UCRC hearing officer to conduct a hearing by interactive video conference.

Worker Adjustment and Retraining Notification (WARN) Act

- Expressly states that Ohio employers subject to the federal Worker Adjustment and Retraining Notification (WARN) Act (those with 100 or more employees) must comply with that act, which requires certain employers to provide written notice 60 days before commencing a plant closing or mass layoff as those terms are defined in the WARN Act.
- Allows the JFS Director to issue guidance and procedures to Ohio employers for the submission and review of notices provided under the WARN Act.

Public assistance

Supplemental Nutrition Assistance Program (SNAP)

Change reporting

(R.C. 5101.546)

Federal rules governing SNAP provide states options for establishing reporting requirements for households participating in the program. The bill requires the Department of

Job and Family Services (JFS), to the maximum extent permitted by federal law, to require households participating in SNAP to adhere to certified change reporting requirements, under which a household must report certain changes in circumstances to JFS not later than 30 days after a change becomes known to the household. Under federal rules concerning certified change reporting, households must report changes in circumstances such as a change in income or source of income, a change in household composition, a change in residence, or a change in resources that may affect the household's eligibility for benefits.[92]

Federal law provides states the option to establish different reporting requirements for households participating in SNAP, including quarterly reporting and simplified reporting.[93] The bill prohibits JFS from implementing either of these options with respect to households participating in SNAP.

Able-bodied adults without dependents work requirements

(R.C. 5101.548)

Federal law imposes work-related eligibility requirements on SNAP recipients who are classified as able-bodied adults without dependents. The group consists of individuals between the ages of 18 and 55 who have no dependents and are not disabled. These individuals are eligible to receive SNAP benefits for only up to three months every three years unless they satisfy federally specified work requirements.

Under federal law and regulations, states can apply for a waiver to exempt from the time limit described above certain geographic areas of the state that have an unemployment rate higher than 10% or do not have enough jobs available.[94] Ohio does not have such a waiver in place for FY 2025. The bill prohibits JFS from requesting, applying for, or renewing such a waiver. The bill further prohibits JFS from exercising an option under federal law to exempt individuals from the three-month time limit who are not meeting the SNAP work requirements. States are permitted under federal law to exempt up to 8% of covered individuals.[95]

Exclusion of sugar-sweetened beverages from purchase

(R.C. 5101.549)

The bill requires the JFS Director to submit a request to the U.S. Department of Agriculture for a waiver to exclude sugar-sweetened beverages as items that can be purchased in the state under SNAP. If the waiver is not approved, the JFS Director must resubmit a waiver request annually.

The bill defines "sugar-sweetened beverages" to include nonalcoholic beverages that are made with carbonated water that is flavored, contain a food additive, and are sweetened with sugar or artificial sweeteners. The bill excludes beverages that contain milk, milk products, soy,

[92] 7 C.F.R. 273.12(a)(1).

[93] 7 C.F.R. 273.12(a)(4) and (5).

[94] 7 U.S.C. 2015(o)(4).

[95] 7 U.S.C. 2015(o)(6).

rice, or other milk substitutes from the definition of a "sugar-sweetened beverage," as well as beverages that (1) contain greater than 50% vegetable or fruit juice by volume or (2) contain less than five grams of added sugar.

Ohio Benefits Program transfer

(Section 525.10)

The bill authorizes the Director of Administrative Services to transfer the Director's responsibility for administering the Ohio Benefits Program to the JFS Director by July 1, 2027. The Ohio Benefits Program is the integrated enterprise solution administered by the Department of Administrative Services (DAS) that assists individuals in verifying eligibility for, and applying for, benefits offered through various programs administered by JFS and the Department of Medicaid, including the Medicaid program, SNAP, and the Temporary Assistance for Needy Families block grant. By July 1, 2026, the DAS Director and JFS Director must develop a detailed organizational plan and enter into a memorandum of understanding regarding the program's transfer.

Effect of program transfer

If the DAS Director transfers the Ohio Benefits Program, all of the following apply:

- All contracts, records, documents, files, equipment, assets, materials, and staff resources that relate to the program must be transferred to the JFS Director.
- Any business commenced, but not completed, by July 1, 2027, by the DAS Director with respect to the program must be completed by the JFS Director in the same manner, and with the same effect, as if completed by the DAS Director.
- No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the program's transfer.

Additionally, if the DAS Director transfers the program, no action or proceeding pending on the transfer date is affected by the transfer. Any action or proceeding must be prosecuted or defended in the name of JFS or the JFS Director. In all actions or proceedings, JFS or the JFS Director, on application to the court, must be substituted as a party.

If the transfer occurs, all rules, orders, and determinations issued with respect to the program continue in effect as if issued by the JFS Director until modified or rescinded by the JFS Director. The LSC Director may renumber any rules related to the program to reflect its transfer.[96]

OBM Director

Regardless of any contrary law, if the DAS Director transfers the Ohio Benefits Program, the OBM Director must make budget and accounting changes to implement the transfer. The OBM Director may rename funds, create new funds, transfer funds, consolidate funds, or make other administrative changes. If necessary, the OBM Director may cancel or establish encumbrances or parts of encumbrances in the appropriate funds and appropriation items for

[96] By reference to R.C. 103.05, not in the bill.

the same purposes and for payments to the same vendors. The bill makes an appropriation with respect to any encumbrances the OBM Director establishes.

If necessary for the continued efficient administration of the program, the OBM Director may transfer appropriations between JFS and DAS to continue levels of program services and efficiently deliver funding to the program as appropriated. The bill makes an appropriation based on the OBM Director's changes.

Transfer of employees

Subject to continuing law layoff provisions, if the DAS Director transfers the Ohio Benefits Program, all of the DAS Director's employees, as identified by the DAS Director, whose primary responsibilities include administering the program are transferred to JFS. Except as described below, transferred employees retain their positions and benefits. Any changes to an employee's position or benefits that occur after the employee is transferred are subject to the Department of Administrative Services – Personnel Law. Actions taken in connection with transferring these employees are not appealable to the State Personnel Board of Review.

If the DAS Director transfers the program, the JFS Director may do all of the following:

- Establish, change, or abolish positions within JFS;
- Assign, reassign, classify, reclassify, transfer, reduce, promote, or demote JFS employees who are not subject to the Public Employees' Collective Bargaining Law;
- With respect to an employee exempt from collective bargaining or employed by a statewide elected official and who has not been placed in a bargaining unit, assign or reassign that employee to a bargaining unit for collective bargaining purposes if the JFS Director determines that is the appropriate bargaining unit.

If the JFS Director assigns, reassigns, classifies, reclassifies, transfers, reduces, or demotes an employee paid in accordance with schedule E-1 to a position in a lower classification, both of the following apply:

- The JFS Director, or if the employee is transferred outside of JFS, the DAS Director, must place the employee in pay step X and assign the employee to the appropriate classification.
- The employee cannot receive an increase in compensation until the maximum pay rate for that classification exceeds the employee's compensation.

If the DAS Director transfers the program, the JFS Director, with the OBM Director's approval, may establish a retirement incentive plan for employees transferred to JFS. If the Director establishes a plan, it must remain in effect until December 31, 2027, regardless of any contrary timeline in the law governing retirement incentive plans for public employees.

The transfer of the program and employees, and the reassignment of administering the program, are not appropriate subjects for collective bargaining, regardless of any contrary law specifying matters subject to collective bargaining.[97]

Staff training and development

If the DAS Director transfers the Ohio Benefits Program, the DAS Director and JFS Director, jointly or separately, may enter into a contract with a public or private entity for staff training and development to facilitate the program's transfer. A contract entered into is not subject to the competitive bidding requirements prescribed under continuing law.[98]

Vocational rehabilitation assessment and support services

(Section 307.150)

The bill authorizes the JFS Director to refer to vocational rehabilitation assessment and support services recipients of SNAP benefits and participants in the Ohio Works First (OWF) program who have indicated that they have a mental or physical illness or impairment. OWF is the portion of Ohio's Temporary Assistance for Needy Families (TANF) Program that provides cash assistance to needy families for up to 36 months. Federal law gives states broad discretion in establishing TANF cash assistance programs. To receive benefits, adults must sign a self-sufficiency contract that explains the participant's rights and responsibilities. Participating adults must generally complete qualified work activities, including job training, education, work experience, and job search and readiness activities. SNAP, formerly known as the Food Stamp Program, is a federal program administered by states to provide low-income individuals with food. Eligibility rules and benefit levels are set by the federal government and are generally uniform across the nation. Under SNAP, recipients classified as able-bodied adults without dependents are subject to work requirements.

Upon referral, the bill requires an individual to continue with vocational rehabilitation assessment and support services to meet SNAP or OWF work requirements, unless the Opportunities for Ohioans with Disabilities agency determines that the individual is unable to work. If the individual fails to continue with vocational rehabilitation assessment and support services and does not otherwise meet minimum work requirements for participation in SNAP or OWF, the individual will have their SNAP or OWF benefits terminated in accordance with federal regulations.

Adult Protective Services funding formula

(R.C. 5101.612)

The bill generally codifies the Adult Protective Services funding formula that exists under current JFS rules[99] for the allocation of funds for Adult Protective Services to counties, except the

[97] By reference to R.C. 124.152 and R.C. 124.321 to 124.328, 145.297, 4117.08, and 4117.10, not in the bill.

[98] By reference to R.C. 127.16.

[99] O.A.C. 5101:9-6-14.

bill's funding formula is amended to be based on the number of county residents aged 60 or older rather than the number of residents under age 18 as in current rules.

Under the bill, within available funds, JFS is required to distribute funds to the counties no later than 30 days after the beginning of each calendar quarter for a part of the counties' costs for Adult Protective Services. Funds provided to a county must be deposited into the Public Assistance Fund.

In each fiscal year, the amount of funds available for distribution must be allocated to counties as follows:

1. If the amount is less than the amount initially appropriated for the immediately preceding fiscal year, each county generally must receive an amount equal to the percentage of the funding it received that year;

2. If the amount is equal to the amount initially appropriated for the immediately preceding fiscal year, each county generally must receive that amount;

3. If the amount is greater than the amount initially appropriated for the immediately preceding fiscal year, each county must receive the amount it received that year as a base allocation, plus a percentage of the amount that exceeds that amount, which must be allocated to the counties as follows:

a. 12% divided equally among all counties;

b. 48% in the ratio that the number of county residents aged 60 or older bears to the total number of Ohio residents 60 or older (under current JFS rules, 48% is distributed based on the number of county residents under the age of 18 as compared to statewide residents under 18);

c. 40% in the ratio that the number of county residents with incomes under the federal poverty line bears to the number of Ohio residents in poverty.

No later than 90 days after the end of each state fiscal biennium, each county is required to return any unspent funds to JFS. The JFS Director may adopt rules to allocate funds and prescribe reports on expenditures to be submitted by the counties as necessary for the implementation of this section of the bill.

Continuing law defines "federal poverty line" as the official poverty line defined by the U.S. Office of Management and Budget based on the most recent data available from the U.S. Bureau of the Census and revised by the U.S. Secretary of Health and Human Services. Currently, 100% of the federal poverty line for a family of two is $20,440.

Youth and Family Ombudsmen Office

(R.C. 5101.891, 5101.892, and 5101.899, with conforming changes in R.C. 5101.893, 5101.894, 5101.895, and 5101.897)

The bill changes the name of the "Youth and Family Ombudsman Office" to "Youth and Family Ombudsmen Office."

Under the bill, the Ombudsmen Office must establish procedures for investigating complaints related to government services regarding child protective services, foster care, and adoption. Continuing law requires it to establish procedures for receiving and resolving complaints, consistent with state and federal law. The bill also requires the Ombudsmen Office's annual report to be submitted to the Director of Children and Youth, in addition to the Governor, Speaker of the House, Senate President, minority leadership in the House and Senate, the JFS Director, and representatives of the Overcoming Hurdles in Ohio Youth Advisory Board as under continuing law.

Additionally, the bill allows the Ombudsmen Office to access Department of Children and Youth (DCY) records, in addition to JFS records as in continuing law, that are necessary for the administration of the Ombudsmen Office and the performance of its official duties. The Ombudsmen Office has the right to request from the DCY Director, and from the JFS Director under continuing law, necessary information from any work unit of the department having information.

Ohio Lead Advisory Council

(R.C. 3742.32)

The bill removes the representative of the JFS's Bureau of Child Care from the Ohio Lead Advisory Council. DCY assumed responsibility for child care on January 1, 2025, and the Council already includes a DCY representative.

Unemployment

Technology and customer service fee

(Section 741.10)

For the two-year period beginning on the provision's effective date, the bill requires the JFS Director to collect a technology and customer service fee from the following types of employers:

- Employers that pay contributions to the unemployment system ("contributory employers"); and
- Nonprofit organizations and nonprofit organization groups, that are reimbursing employers (they reimburse the system for benefits paid out on their behalf).

The state, its political subdivisions, and other public entities that are reimbursing employers do not pay the fee.

For contributory employers, the technology and customer service fee may be no more than 0.15% of wages paid per covered employee. The JFS Director collects the fee on a quarterly basis in the same manner as the Director collects the employer's contributions.[100] Most employers in Ohio are contributory employers.

[100] R.C. 4141.20(B), not in the bill.

For a reimbursing nonprofit organization or nonprofit organization group, the fee may be no more $13.50 per organization or group. The JFS Director must collect the fee whenever the organization or group of organizations files or renews a surety bond required under continuing law. A surety bond filed must be in force for no less than two calendar years. Bond renewals are approved by the Director at times prescribed by the Director.[101]

The bill requires the JFS Director to deposit technology and customer service fees into the Unemployment Compensation Special Administrative Fund. Under continuing law, the fund includes interest, fines, and forfeitures collected under the Unemployment Compensation Law, as well as money from the sale of certain real estate. The Director uses the fund to pay certain administrative costs associated with the unemployment compensation system.

Temporary employees

(R.C. 4141.29; Section 801.10)

The bill specifies that, for an initial unemployment benefits claim filed on or after the provision's effective date, an individual is considered to have quit work without just cause, thus disqualifying the individual from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment, if all the following apply:

- The individual is provided temporary work assignments by the individual's employer under agreed terms and conditions of employment;
- The individual is required pursuant to those terms and conditions to inquire with the individual's employer for available work assignments upon the conclusion of each work assignment;
- Suitable work assignments are available with the employer, but the individual fails to contact the employer to inquire about work assignments.

Current law specifies that such an individual is not considered unable to obtain suitable employment. Under continuing law, an individual is prohibited from serving a waiting period or receiving unemployment benefits for any week that the individual is not unable to find suitable employment. Thus, the bill disqualifies an individual described above from serving a waiting period or receiving unemployment benefits for the duration of the individual's unemployment, instead of just for any week as under current law.

Deadline for unemployment compensation reports

(R.C. 4141.56 and 4141.60)

The bill establishes August 1 as the annual deadline for the JFS Director to submit the annual report, required by current law, on each of the following topics involving unemployment compensation:

- Utilization of the SharedWork Ohio Program;

[101] R.C. 4141.241(C), not in the bill.

- Calls received at Director-operated call centers, the total number of benefit claims, the number of potentially fraudulent claims, the number of complaints submitted through the Director's uniform complaint process, and a summary of technology updates or changes.

Under current law, it appears that the annual deadlines for submitting the reports are inconsistent.

Under continuing law, the Director must submit the reports to the Governor, the Senate President, and the Speaker of the House. In addition, the Director must submit the SharedWork Ohio report to the minority leaders of the House and Senate.

Finally, the bill eliminates the Unemployment Modernization and Improvement Council as a recipient of the second report described above, because the Council no longer exists.

Interest on late unemployment employer payments

(R.C. 4141.23)

The bill changes the annual interest rate for late unemployment employer contributions, payments in lieu of contributions (reimbursements), interest, forfeitures, or fines not paid by an employer when due. Beginning January 1, 2026, a late payment bears interest at the rounded federal short-term rate, not to exceed 15% (if in effect for 2025, the interest rate for late payments would be 8%).[102] Currently, a late unemployment employer payment bears interest at the annual rate of 14% compounded monthly on the aggregate receivable balance due.

The bill also removes an obsolete provision that established the annual interest rate for late unemployment employer contributions or reimbursements due before January 1, 1993.

Covered public employers

(R.C. 4141.01, 4141.011, and 4141.02)

The bill expands the definition of "employer" for purposes of the Unemployment Compensation Law to include *any* state, its instrumentalities, and its political subdivisions and their instrumentalities. The current law definition of "employer," with respect to public employers, includes Ohio, its instrumentalities, and its political subdivisions and their instrumentalities. Under continuing law, an individual or entity who meets the definition of "employer" also must meet requirements related to the employment provided by the employer to be subject to the Unemployment Compensation Law.

The continuing law definition of "employer" also includes Indian tribes, and any individual or type of organization including any partnership, limited liability company, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the successor thereof, or the legal representative of a deceased person.

[102] Annual Certified Interest Rates, which is available by conducting a keyword "Interest rates" search on the Ohio Department of Taxation website: tax.ohio.gov.

The bill reorganizes the definition of "employer" for purposes of the Unemployment Compensation Law and eliminates outdated provisions.

Seasonal employment determinations

(R.C. 4141.33)

The bill requires the JFS Director to determine whether employment is seasonal using an application filed by an employer and any other information available to the Director. Currently, after an employer files the application for a determination, the Director must perform an investigation, provide notice, and hold a hearing before determining whether employment is seasonal in nature.

Under continuing law, employment is seasonal in an industry if, because of climatic conditions or because of the seasonal nature of the industry, it is customary to operate only during regularly recurring periods of 40 weeks or less in any consecutive 52 weeks. Any employer who claims to have seasonal employment in a seasonal industry may file a written application requesting the JFS Director to classify the employment as seasonal for purposes of the Unemployment Compensation Law.

When the JFS Director determines that a type of employment is seasonal, unemployment benefits for loss of work from the employment are payable only during the longest seasonal periods that the best practice of the industry reasonably permit. The Director establishes seasonal periods for seasonal employment. No industry or employment can be considered seasonal until the Director determines that it is seasonal.

When the JFS Director determines employment is seasonal and establishes seasonal periods, the Director also establishes the proportionate number of weeks of employment and earnings required to qualify for seasonal benefit rights. Ordinarily, an individual must have worked for at least 20 weeks within the first four of the last five completed calendar quarters (referred to as "the base period") and earned an average weekly wage of not less than 27.5% of the statewide average weekly wage within that period. If an individual has not worked enough qualifying weeks within the base period, the individual can still qualify if the individual has worked at least 20 weeks during the four most recently completed calendar quarters (referred to as the "alternate base period").[103] The number of weeks of employment and earnings established by the Director in a seasonal determination replace the weeks of employment and earnings required to receive ordinary benefits.

Income and Eligibility Verification System

(R.C. 4141.162)

The bill requires the JFS Director to disclose wage and claim information, on request, to any state or local agency administering a program included in the Income and Eligibility Verification System (IEVS) that has entered into a written data sharing agreement with the Director that meets standards in federal law. The IEVS is required by federal law and is used to

[103] R.C. 4141.01(R).

determine eligibility and benefit amounts for unemployment compensation and other benefit programs.[104]

The bill also eliminates a requirement that the JFS Director adopt rules implementing the IEVS.

Unemployment Compensation Review Commission

(R.C. 4507.53)

The bill allows the Department of Public Safety's digitalized photographic records to be released to the Unemployment Compensation Review Commission (UCRC) (the agency that hears unemployment claim appeals) for the purpose of carrying out its functions under the Unemployment Compensation Law. Under continuing law, records may be released to JFS for the purpose of carrying out its functions under the Law.

UCRC hearings

(R.C. 4141.281)

The bill allows a UCRC hearing officer to conduct a hearing by interactive video conference. Under continuing law, a hearing officer may conduct a hearing in person or by telephone.

Continuing law allows members of certain public bodies to hold and attend virtual meetings or conduct and attend virtual hearings by means of video conference or any other similar electronic technology, if a public body adopts a policy to do so. It appears that the UCRC is a public body that is permitted to adopt such a policy. Continuing law also specifies that, if a provision of the Revised Code permits a particular public body to meet or hold hearings by means of teleconference, video conference, or any other similar electronic technology, that provision prevails over the general provisions in the law with respect to that particular public body.[105]

Worker Adjustment and Retraining Notification (WARN) Act

(R.C. 4113.31)

The bill expressly states that Ohio employers subject to the federal Worker Adjustment and Retraining Notification (WARN) Act (those with 100 or more employees) must comply with that act. Unless an exception applies, the WARN Act requires a covered employer to provide specified individuals with written notice 60 days before a mass layoff or plant closing. If the employer fails to provide the required notice, the employer may be liable for damages, civil penalties, and attorney's fees.[106]

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[104] 42 U.S.C. 1320b-7 and 20 C.F.R. 603.10.

[105] R.C. 121.22(B)(1); R.C. 121.221, not in the bill.

[106] 29 U.S.C. 2102 and 2104.

As stated in the bill, the WARN Act's notice requirement applies to any private sector employer and any public or quasi-public employer that engages in business, such as taking part in a commercial enterprise, if the employer:

- Employs 100 or more employees, excluding part-time employees (an employee who works less than 20 hours per week or who has worked for fewer than six months in the 12 months preceding the date of the notice); or
- Employs 100 or more employees who work at least a combined 4,000 hours a week.[107]

Under the WARN Act, a plant closing occurs when an employment site (or one or more facilities or operating units within an employment site) is to be shut down, and the shutdown will result in an employment loss for 50 or more full-time employees during any 30-day period. A mass layoff is any reduction in a workforce other than a plant closing that, within any 30-day period, results in either:

- 500 or more full-time employees at a single site losing employment; or
- Between 50 and 499 full-time employees at a single site losing employment, if that number is 33% or more of the number of full-time employees at that single site.[108]

A WARN Act notice must be provided to each affected employee's authorized representative or, if there is no such representative at the time the notice is sent, to each affected employee. A notice also must be sent to the state entity responsible for rapid response activities under the Workforce Innovation and Opportunity Act (in Ohio, the JFS Director), as well as the chief elected official of the unit of local government within which a closing or layoff is to occur. The bill lists the information that must be included in the notice, which varies based on the notice recipient. These are the same requirements as under the WARN Act.

As under the WARN Act, the bill states that an employer is not required to provide a WARN Act notice when a plant closure or mass layoff constitutes a strike or a lockout as those terms are described in federal statutes and regulations.

For additional details about the WARN Act, including the content of the notice, remedies for violations, and instances where the 60-day period can be reduced or waived, see the LSC Plant Closure and Layoff Notices (PDF) Members Brief, which is available on LSC's website: lsc.ohio.gov/Publications.

The bill specifies that it does not establish different requirements or remedies than those established by federal statutes and regulations. Because the bill applies to the same employers as the WARN Act and does not create new requirements or remedies, it is not clear what effect it will have.

[107] 29 U.S.C. 2101.

[108] 29 U.S.C. 2101(a)(2) and (3) and 20 C.F.R. 639.6(b).

Additionally, if the WARN Act is amended after the bill takes effect, the differences between the bill and the amended WARN Act may trigger legal questions, including preemption under the Supremacy Clause of the U.S. Constitution.[109]

[109] U.S. Constitution, Article VI, Clause 2.

JOINT COMMITTEE ON AGENCY RULE REVIEW

- Reduces, from six months to three months, the time in which an agency must begin the rulemaking process when the agency identifies a principle of law or policy that should be restated as a rule or is informed of such a principle or policy through a recommendation from the Joint Committee on Agency Rule Review (JCARR).
- Prohibits an agency that is in the process of supplanting a principle of law or policy from relying on the principle or policy during the rulemaking process if the agency fails to file the rule in final form within one year after specified events occur or if the agency notifies JCARR of the agency's intention to file a revised proposed rule.

Restatement of principle of law or policy in rule

(R.C. 101.352, 121.93, and 121.931)

Principle or policy reliance

The bill makes changes to the processes a state agency uses to restate a principle of law or policy in a rule. The bill shortens the time period, from six months to three months, in which the agency must begin the rulemaking process after either determining or receiving a recommendation to restate a principle of law or policy in rule. Continuing law allows an agency to rely on a principle or policy while it is in the process of adopting a rule to supplant the principle or policy. If the agency fails to begin rulemaking within the required time (currently, six months; under the bill, three months) or the agency neglects or abandons the process before completing it, the agency must stop relying on the principal or policy. The bill adds the following reasons under which an agency must stop relying on a principle or policy after beginning the rulemaking process:

- The agency fails to file the rule in final form within one year after it determines rule making is necessary or within one year after receiving a written recommendation from the Joint Committee on Agency Rule Review (JCARR).
- The agency notifies JCARR the agency intends to file a revised proposed rule under continuing law.

Overview – principle of law or policy

Continuing law requires most state agencies periodically to review their operations and identify principles of law and policies that have not been stated in a rule, but that the agencies are relying on for either of the following activities:

- Conducting adjudications or other determinations of rights and liabilities;
- Issuing writings and other materials, such as instructions, policy statements, guidelines, advisories, circulars, letters, and opinions.

An agency must perform at least one review during a governor's term. Within six months after the end of the governor's term, the agency must transmit a report to JCARR stating that the

agency has completed one or more reviews. In its report, the agency must detail specific steps the agency is taking regarding those reviews.

If the agency determines a principle of law or policy identified during a review period has a general and uniform operation and establishes a legal regulation or standard that would not exist without the principle or policy, the agency must determine whether the principle or policy should be replaced with a rule. In making the determination, the agency must decide whether supplanting the policy or principal with a rule will achieve any of the goals identified in continuing law. If, based on those goals, an agency determines it should supplant a principle or policy with a rule, the agency begins the rulemaking process.

Additionally, a person may petition an agency to restate a principle or policy in a rule if both of the following apply:

- The person was a party to an adjudication or other determination before an agency that resulted in an order or was a party to a lawsuit that ended in a judgment;
- The adjudication, determination, or lawsuit involved a principle of law or policy relied on by the agency that should have been supplanted by a rule but has not been so supplanted.

If, based on the standards the agency applies during its own review, an agency determines the principle or policy that is the subject of the petition should be replaced with a rule, the agency grants the petition and begins the rulemaking process.

Finally, if JCARR becomes aware that an agency is relying on a principle of law or policy that should have been replaced with a rule, JCARR may call the agency to appear before JCARR to address why the agency is relying on the policy or principle. After the appearance, JCARR applies the standards the agency applies during the agency's reviews and may recommend the agency supplant the principle or policy with a rule. JCARR must support its recommendation with a brief rationale of why the principle of law or policy should be supplanted by a rule. If an agency receives a recommendation from JCARR, it must begin the rulemaking process.

For additional details about the rulemaking process, see the LSC Members Brief, Administrative Rulemaking (PDF), which is available on LSC's website: lsc.ohio.gov/Publications.

JOINT MEDICAID OVERSIGHT COMMITTEE

Data sharing agreement with JMOC

- Requires the Department of Medicaid (ODM) to enter into a data sharing agreement between the Executive Director of the Joint Medicaid Oversight Committee (JMOC), JMOC's contracted actuary, and ODM to assist with determining the projected medical inflation rate for a fiscal biennium.
- Requires the ODM Director to provide any information requested by JMOC, the Executive Director, or the actuary in a timely manner.
- Prohibits the ODM Director, an ODM employee, and any entity under contract with ODM from hindering, obstructing, or interfering with the determination of the projected medical inflation rate.

JMOC access to eligibility information and systems

- Not later than October 1, 2025, requires ODM, the Department of Job and Family Services (JFS), and county departments of job and family services to provide the JMOC Executive Director and staff of JMOC with access to view information and systems used for determining eligibility for public assistance benefits.
- Requires the Executive Director and staff to adhere to the same confidentiality standards that apply to staff when accessing information and data described above.

ODM file sharing with JMOC actuary

- Beginning October 1, 2025, and every six months thereafter, requires ODM to share specified information files with the JMOC contracted actuary.

Administrative reporting to JMOC

- Requires ODM to submit a report to JMOC and the JMOC Executive Director on September 1 of each year that provides specified details about state agencies' budgeted, actual, and forecasted number of full-time equivalent employees and related expenditures.

Interaction with JMOC

The Joint Medicaid Oversight Committee (JMOC) is a legislative committee consisting of five members of the House and five members of the Senate. The committee is responsible for providing legislative oversight of Ohio's Medicaid program. The bill establishes several new requirements that the Department of Medicaid (ODM), and in some cases other agencies, must

satisfy to assist JMOC with fulfilling its statutory duties. These requirements include reports and data that ODM and its Director must share with JMOC and the JMOC Executive Director.[110]

Data sharing agreement with JMOC

(R.C. 103.414)

Before the beginning of each fiscal biennium, JMOC is required under continuing law to contract with an actuary to determine the projected medical inflation rate for the upcoming biennium. Continuing law then requires the projected medical inflation rate to be used to limit the growth of Medicaid spending for the upcoming biennium. To assist JMOC and the contracted actuary with determining the projected medical inflation rate for a fiscal biennium, the bill requires the ODM Director to enter into a data sharing agreement with the JMOC Executive Director and the contracted actuary, by a deadline established by the JMOC Executive Director. Additionally, the ODM Director must make ODM staff and any contracted actuaries readily available to JMOC and JMOC's contracted actuary.

The bill further requires ODM to provide any information requested by JMOC, the JMOC Executive Director, or JMOC's contracted actuary in a timely manner and in accordance with any deadlines established by the Executive Director or actuary. Moreover, in providing this information, ODM must play the same role as an auditee when being audited by the Auditor of State, thereby requiring ODM to provide requested information quickly, in a timely manner, and by the deadlines established by JMOC. The bill prohibits the ODM Director, an employee of ODM, or any ODM contractor from hindering, obstructing, or interfering with the determination of the projected medical inflation rate for a fiscal biennium.

JMOC access to eligibility information and systems

(R.C. 103.416)

To assist JMOC with fulfilling its statutory duty to oversee the Medicaid program, the bill requires ODM, the Department of Job and Family Services (JFS), and county departments of job and family services, not later than October 1, 2025, to provide the JMOC Executive Director and JMOC, to the extent permitted by federal law, with access to view all information and systems used for (1) determining eligibility for public assistance benefits and (2) for billing, payments, and tracking for providers, including all of the following: [111]

- The Ohio Integrated Eligibility System;

[110] The bill imposes several requirements on ODM to provide information or data to the JMOC Executive Director. While current law authorizes JMOC to employ staff as necessary to perform its duties, the law does not specifically refer to an Executive Director.

[111] The bill does not define "public assistance benefits" for the purpose of this new requirement; however, because it does not extend the requirement to other agencies that administer public assistance programs, it is likely limited to those programs administered by ODM and JFS. It is unclear to what extent ODM, JFS, and the county departments are capable of providing JMOC access to the listed systems that are not operated by those agencies.

- The Support Enforcement Tracking System;
- The Systematic Alien Verification for Entitlements System;
- The Electronic Document Management System;
- The Content Manager;
- The Compass Pilot;
- The Income and Eligibility Verification System;
- The Medicaid Information Technology System;
- The Ohio Medicaid Enterprise System;
- The Fiscal Intermediary;
- The Single State Pharmacy Benefit Manager;
- The Provider Network Management Module;
- The Electronic Data Interchange;
- The Business Intelligence Reporting System;
- The Work Number;
- Columbia Gas;
- Self-service reports.

The bill requires ODM, JFS, and county departments of job and family services to provide systems training to the JMOC Executive Director and JMOC staff to ensure proper understanding and interpretation of the information. Additionally, the bill specifies that the Executive Director and staff of JMOC must adhere to the same confidentiality standards that employees of ODM, JFS, and county departments of job and family services do when accessing the information and systems described above.

ODM file sharing with JMOC actuary

(R.C. 103.417; conforming changes in R.C. 103.41)

Beginning October 1, 2025, the bill requires ODM to periodically provide information files to the JMOC contracted actuary. Files provided must include all relevant information for the six-month period immediately preceding the date on which information files are provided to the actuary, and must be provided to the actuary every six months. The bill requires that ODM provide the following information to the JMOC actuary: (1) recipient vendor files, (2) recipient liability files, (3) recipient eligibility files, (4) provider files, (5) claims files, (6) capitation files, (7) reference files, and (8) any additional files that may be added to ODM's vendor data extract submissions or other files that JMOC requires ODM to share with the actuary.

The bill specifies that each of the file types described above must be provided to the actuary as separate files. The file types must be submitted in a manner that allows for current

submissions to be appended to previous submissions, or when applicable, must contain a restatement of previous information provided as well as updated and more recent information. When providing required files to the actuary, ODM must provide all information necessary to perform last-in-chain, reversals, and claim reversals with each submission, and the information must be provided in a manner that allows the actuary to identify all final iterations of paid claims. In addition to providing the information and files described above, ODM must also provide the actuary with information regarding control totals for each information file submitted. The control totals must include record count and payment information to ensure that information files are fully submitted to the actuary.

Administrative reporting to JMOC

(R.C. 5162.17)

The bill requires ODM, on September 1 annually, to prepare and submit a report to JMOC and the JMOC Executive Director that details the full-time equivalent employees and related expenditures for (1) eligibility operations, (2) information technology, (3) Medicaid Management Information Systems operations, and (4) all other administrative operations of each state agency. The report must delineate the administrative costs described above by which costs were paid to vendors and which costs were incurred directly by the state agency.

The report must include all of the following for each state agency:

- The actual total number of full-time equivalent employees, their unique identifying employee position numbers or equivalents, their salaries, their benefits, their taxes, and any non-salary or benefit administrative costs from the prior two years;
- The budgeted number of full-time equivalent employees, salaries, taxes, and nonsalary or benefit administrative costs from the prior two years;
- The forecasted number of full-time equivalent employees, salaries, benefits, taxes, and any nonsalary or benefit administrative costs for the upcoming year;
- A comparison between the two prior years' actual and budgeted number of full-time equivalent employees and expenditures;
- A comparison between the actual number of full-time equivalent employees and expenditures from the prior year and the forecasted number of full-time equivalent employees and expenditures for the upcoming year.

If the total number of full-time equivalent employees or expenditures for any combination of agency and category deviates more than 5% from the preceding year's budgeted number of full-time equivalent employees or expenditures, the report must additionally provide a detailed justification for the variance. To assist with the submission of the required report, the bill authorizes JMOC to create a template for ODM to reference with creating its report.

JUDICIARY/SUPREME COURT

Sealing and expungement

- Removes a reference to records of conviction that cannot be sealed or expunged that previously applied to sealing and expunging official records in which a person is found not guilty, proceedings are dismissed, a grand jury no bill is entered, or a pardon is granted.

Sealing juvenile records

- Requires the juvenile court to seal certain juvenile records if the court finds that the interests of the person in having the records pertaining to the case sealed are not substantially outweighed by any legitimate governmental needs to maintain those records.

Online availability of criminal and probate general dockets

- Requires the common pleas court clerk to make available online the court's general docket pertaining to criminal and probate cases.

Reduction of fees for computerization of court

- If a common pleas court fails to make civil, criminal, and probate dockets available online, the bill reduces the fees that that the clerk of courts can charge for deposit into the computerization fund by 50%.
- Delays effective date for six months after the bill's 90-day effective date.

Clerk of the court of common pleas

- Requires clerk of the common pleas court to determine and implement the best means and methods for storing, maintaining, and retrieving all papers delivered to the clerk.

Alford plea

- Specifies that a court cannot impose a requirement that an offender who has pleaded guilty by entering an Alford plea must admit guilt as any condition of a sentence or a community control sanction.

Dissemination of fabricated and private sexual images

- Creates the offenses of nonconsensual dissemination and nonconsensual creation of fabricated sexual images.
- Modifies existing law to allow the dissemination of an image or a fabricated sexual image if the person in the image is age 18 or older and the person is knowingly and willingly in a state of nudity or engaged in sexual conduct and is knowingly and willingly in a location where the person does not have a reasonable expectation of privacy.
- Allows for the dissemination of fabricated sexual images under certain circumstances.

- Allows a victim of nonconsensual dissemination or nonconsensual creation of fabricated sexual images to commence a civil action against the offender.
- Allows the court to order a person who is convicted of nonconsensual dissemination or nonconsensual creation of fabricated sexual images or who is adjudicated a delinquent child by reason of committing that offense to criminally forfeit certain specified property acquired or maintained as a result of committing the offense.

Sealing and expungement

(R.C. 2953.32)

Under current law, specified records of conviction cannot be sealed or expunged. This provision applies to the following: (1) the sealing and expungement of records of conviction, (2) the sealing and expungement of official records for a not guilty, dismissal, no bill, or pardon, and (3) general sealing and expungement provisions relating to both (1) and (2).

The bill removes the application of the above provision to (2). The sealing and expungement provisions in (2) apply to official records in which a person is found not guilty, proceedings are dismissed, a grand jury no bill is entered, or a pardon is granted, rather than to conviction records. As such, the application of the provision seems unnecessary.

Sealing juvenile records

(R.C. 2151.356)

The bill implements a balancing test that applies to the mandatory sealing of certain juvenile records eligible for sealing.

Mandatory sealing

Under current law, the juvenile court must promptly order the immediate sealing of certain records pertaining to a juvenile under the circumstances below. For (4) and (5) below, the bill requires the juvenile court to seal juvenile records if the court finds that the interests of the person in having the records pertaining to the case sealed are not substantially outweighed by any legitimate governmental needs to maintain those records:

1. Under current law, if the court receives a records from a public office or agency;

2. Under current law, if a person was brought before or referred to the court for allegedly committing a delinquent or unruly act and the case was resolved without the filing of a complaint against the person with respect to the act;

3. Under current law, if the person was charged with underage consumption and the person has successfully completed a diversion program with respect to that charge;

4. Under the bill, if a complaint was filed against a person alleging that the person was a delinquent child, an unruly child, or a juvenile traffic offender and the court does both of the following:

a. Dismisses the complaint after a trial on the merits of the case or finds the person not to be a delinquent child, an unruly child, or juvenile traffic offender;

b. Finds that the interests of the person alleged to be a delinquent child, an unruly child, or a juvenile traffic offender in having the records pertaining to the case sealed are not substantially outweighed by any legitimate governmental needs to maintain those records.

5. Subject to certain exceptions, if a person has been adjudicated an unruly child, and both of the following apply:

a. The person is 18 years old, and the person is not under the jurisdiction of the court in relation to a complaint alleging the person to be a delinquent child;

b. The court finds that the interests of the person in having the records pertaining to the case sealed are not substantially outweighed by any legitimate governmental needs to maintain those records.

Online availability of criminal and probate general dockets

(R.C. 2303.12)

The common pleas clerk is required to keep records as indicated by the Rules of Superintendence for the Courts of Ohio. These records are called the appearance docket, trial docket, and printed duplicates of the trial docket. The records are used by the court and its officers and for the journal and execution docket.

Not later than 18 months after this provision's effective date, the bill requires the clerk of court make available on the clerk of court's website the "general docket" of the court pertaining to criminal and probate cases. The public must be able to remotely access and print the information in that docket, including all individual documents in each "case file," pertaining to criminal and probate cases filed on or after this provision's effective date. Under current law, the common pleas clerk is already required to make available on the clerk of court's website the general docket of the court pertaining to civil cases.

The bill provides that the clerk of court is not required to make available online the general docket of the juvenile court.

Definitions

The bill modifies the definition of "case file" to include criminal and probate actions or proceedings. "Case file" means the compendium of original documents filed in a civil, criminal, or probate action or proceeding in the court of common pleas, including the pleadings, motions, orders, and judgments of the court on a case-by-case basis.

"General docket" means the appearance docket, trial docket, and case files in relation to those dockets and journal.

Reduction of fees for computerization of court

(R.C. 2303.201; Section 820.90)

Online availability of general dockets

Under current law, a clerk of the common pleas court is required to make available online the court's general docket pertaining to civil cases. Under the bill, the clerk of the common pleas court is also required to make available online the court's general docket pertaining to criminal and probate cases (see "**Online availability of criminal and probate general dockets**," above).

Computerization of the common pleas court

If a common pleas court fails to make civil, criminal, and probate dockets available online, the bill reduces the fees that the clerk of courts can charge for deposit into the computerization fund by 50%.

The common pleas court of any county may determine that for the efficient operation of the court, additional funds are required to computerize the court, to make available computerized legal research services, or to do both. Upon making the determination that additional funds are required for either or both of those purposes, the bill requires the court to do one of the following:

- If the common pleas court has complied with the requirement to make available online the court's general docket pertaining to criminal and probate cases, the court must authorize and direct the clerk of the common pleas court to charge one additional fee, not to exceed $6, on the filing of each specified cause of action or appeal (current law allows this additional fee for civil cases).
- If the common pleas court has not complied with the requirement to make available online the court's general docket pertaining to civil, criminal, and probate cases, the court must authorize and direct the clerk of the common pleas court to charge one additional fee, not to exceed $3, on the filing of each specified cause of action or appeal.

Computerization of the clerk of the common pleas court

The clerk of the common pleas court of any county may determine that for the efficient operation of the office of the clerk of the common pleas court, additional funds are required to make technological advances in or to computerize the office of the clerk of the court. Upon making that determination, the court must do one of the following:

- If the common pleas court has complied with the requirement to make available online the court's general docket pertaining to criminal and probate cases, the court must authorize and direct that an additional fee, not to exceed $20, on the filing of each specified cause of action or appeal, on the filing, docketing, and endorsing of each certificate of judgment, or on the docketing and indexing of each aid in execution or petition to vacate, revive or modify a judgment and not to exceed $1 for specified services, be charged (current law allows this additional fee for civil cases).

- If the common pleas court has not complied with the requirement to make available online the court's general docket pertaining to civil, criminal, and probate cases, the court must authorize and direct that an additional fee, not to exceed $10, on the filing of each specified cause of action or appeal, on the filing, docketing, and endorsing of each certificate of judgment, or on the docketing and indexing of each aid in execution or petition to vacate, revive or modify a judgment and not to exceed 50¢ for specified services, be charged.

Effective date

The bill delays the effective date of these provisions until six months after the bill's 90-day effective date.

Clerk of the court of common pleas

(R.C. 2303.26)

The bill specifies that the clerk of the common pleas court is responsible for determining and implementing the best means and methods for storing, maintaining, and retrieving all papers delivered to the clerk, whether delivered in writing or electronic form. The clerk must do so in furtherance of the performance of the duties enjoined upon the clerk by statute, common law, and the Rules of Superintendence of the Courts of Ohio, and in compliance with Rule 26 of the Rules of Superintendence of the Courts of Ohio.

Alford plea

(R.C. 2929.12, 2929.15, and 2929.25)

The bill specifies that a court cannot impose a requirement that an offender who has pleaded guilty by entering an Alford plea must admit guilt as any condition of a sentence or a community control sanction.

Dissemination of fabricated and private sexual images

(R.C. 2307.66 and 2917.211)

Prohibition and penalty

The bill prohibits a person from knowingly disseminating a fabricated sexual image of another person without the other person's consent. A violation of this prohibition is nonconsensual dissemination of fabricated sexual images, a fourth degree felony. If the offender has previously been convicted of or pleaded guilty to nonconsensual dissemination of fabricated sexual images, a sexually oriented offense, or a child-victim oriented offense, nonconsensual dissemination of fabricated sexual images is a third degree felony.

The bill also prohibits a person, without the consent of the depicted person, in order to harass, extort, threaten, or cause physical, emotional, reputational, or economic harm to a person falsely depicted, from knowingly doing either of the following: (1) creating a fabricated sexual image with intent to distribute or (2) soliciting the creation of a fabricated sexual image with intent to distribute.

A violation of this prohibition is nonconsensual creation of fabricated sexual images, a fourth degree felony. If the offender has previously been convicted of or pleaded guilty to nonconsensual creation of fabricated sexual images, a sexually oriented offense, or a child-victim oriented offense, nonconsensual creation of fabricated sexual images is a third degree felony.

The bill modifies existing law by increasing the penalty for nonconsensual dissemination of private sexual images from a third degree misdemeanor to a fifth degree felony and increases the penalty from a second degree misdemeanor to a fourth degree felony if the offender was previously convicted of or pleaded guilty to nonconsensual dissemination of private sexual images, as well as a sexually oriented offense, or a child-victim oriented offense.

Exceptions

The bill modifies continuing law by specifying that the dissemination of a fabricated sexual image is not prohibited if any of the following apply:

- The fabricated sexual image is disseminated for the purpose of a criminal investigation that is otherwise lawful;
- The fabricated sexual image is disseminated for the purpose of, or in connection with, the reporting of unlawful conduct;
- The fabricated sexual image is part of a news report or commentary or an artistic or expressive work, such as a performance, work of art, literary work, theatrical work, musical work, motion picture, film, or audiovisual work;
- The fabricated sexual image is disseminated by a law enforcement officer, or a corrections officer or guard in a detention facility, acting within the scope of the person's official duties;
- The fabricated sexual image is disseminated for another lawful purpose;
- If the person in the image or fabricated sexual image is 18 years of age or older, the person in the image or fabricated sexual image is knowingly and willingly in a state of nudity or engaged in a sexual act and is knowingly and willingly in a location in which the person does not have a reasonable expectation of privacy;
- The fabricated sexual image is disseminated for the purpose of medical treatment or examination.

Existing law, unchanged by the bill, provides for the above-described exceptions for photographs, film, videotape, digital recording, or other depiction or portrayal of a person.

The bill also specifies that the providers of interactive computer services, mobile services, telecommunication carriers, internet providers, cable service providers, direct-to-home satellite services, or video service providers are not liable for dissemination of fabricated sexual images solely as a result of a fabricated sexual image along with an image under existing law or other information is provided by another person.

Civil action for nonconsensual dissemination of fabricated sexual images

Existing law allows a victim of the offense of nonconsensual dissemination of private sexual images to commence a civil action against the offender for any of the following, in addition to reasonable attorney's fees and the costs of bringing the action:

- An injunction or a temporary restraining order prohibiting further dissemination of the image that is the subject of the violation;
- Compensatory and punitive damages for harm resulting from the violation.

The bill allows a victim of the offense of nonconsensual dissemination of fabricated sexual images to commence such a civil action as well.

The bill specifies that the victim is presumed to have suffered harm as a result of the nonconsensual dissemination of fabricated sexual images. The civil action must be brought within four years after the victim discovers the private sexual image or fabricated sexual image.

The bill defines "fabricated sexual image" as a created, adapted, or modified image that depicts another person, the other person is recognizable in the image by the other person's face, likeness, or other distinguishing characteristic, and the other person depicted in the image is in a state of nudity or is engaged in a sexual act.

Forfeiture

(R.C. 2981.02)

The bill modifies the existing Criminal and Civil Forfeiture Law by allowing the court to order any person who is convicted of nonconsensual dissemination of fabricated sexual images or of nonconsensual creation of fabricated sexual images or who is adjudicated a delinquent child by reason of committing the offense of nonconsensual dissemination of fabricated sexual image or of nonconsensual creation of fabricated sexual images to criminally forfeit the following property to the state under the Criminal and Civil Forfeiture Law:

- Any profits or proceeds and any property the person has acquired or maintained in violation of the offense of nonconsensual dissemination of fabricated sexual images or nonconsensual creation of fabricated sexual images that the sentencing court determines to have been acquired or maintained as a result of the violation;
- Any interest in, securities of, claim against, or property or contractual right of any kind affording a source of influence over any enterprise that the person has established, operated, controlled, or conducted as a result of committing the offense of nonconsensual dissemination of fabricated sexual images or nonconsensual creation of fabricated sexual images that the sentencing court determines to have been acquired or maintained as a result of the violation.

LOTTERY COMMISSION

Cashing out lottery prize annuities

- Allows a lottery prize winner who previously agreed to be paid in installments via an annuity only to cash out the full amount of the annuity in a single transaction, unless the Lottery Commission's (LOT) rules permit additional transfers.
- Prohibits a transferee from then transferring the annuity rights to a third person.
- Modifies the type of independent professional advice a winner must receive, and from whom the winner may receive it, before the transfer can occur.
- Requires signed documentation that the winner received independent professional advice.

Withholding from lottery sports gaming and VLT winnings

- Changes the person responsible for withholding taxes and certain debts from lottery sports gaming and video lottery terminal (VLT) winnings that meet or exceed a threshold amount.
- Specifies that the sports gaming proprietor generally is responsible for withholding all amounts from lottery sports gaming winnings, including in a VLT facility (racino).
- Requires LOT to withhold all amounts from lottery sports gaming winnings won on a terminal that also offers other lottery games.
- Clarifies that the video lottery sales agent who operates a VLT facility must withhold all amounts from VLT prize winnings.
- Applies the changes described above beginning on January 1, 2026.

Gaming expansion

- States that the General Assembly must determine a manner of expanding gaming opportunities in Ohio by December 31, 2025.

Cashing out lottery prize annuities

(R.C. 3770.072, 3770.10, 3770.12, 3770.121, and 3770.13)

The bill makes several changes to the process by which a lottery prize winner may cash out the winner's annuity for a one-time payment by selling it to a third party.

Background on lottery prize annuities

Under continuing law, a lottery winner who wins a large sum can choose between two options:

- Receive the full prize amount from the Lottery Commission (LOT) in the form of regular payments over a set period of time or over the winner's lifetime (an annuity);

- Receive a smaller lump sum – about half the full prize amount – from LOT immediately.

When a winner chooses an annuity, LOT puts the full value of the prize in the Deferred Prizes Trust Fund for investment by the Treasurer of State. Then, LOT makes regular payments to the winner. Any excess interest earned by the Deferred Prizes Trust Fund, above what is needed to cover annuity payments to winners, goes to the Lottery Profits Education Fund.[112]

A winner who initially chooses an annuity might later wish to cash out the remaining value of the annuity in the form of a lump sum received immediately. LOT does not offer this service, but many private companies do. In what the Revised Code calls a "transfer agreement," a winner can sign over the right to receive future LOT annuity payments to another person, the "transferee," in exchange for an agreed upon payment from the transferee. The transferee then has the right to receive ongoing annuity payments from LOT in place of the winner.

The transferee must apply to a court in advance for approval of the transfer based on several factors. If the factors are met, the transfer is presumed to be fair and reasonable and in the winner's best interests. The transferee also must notify LOT of the application, and LOT has the right to intervene in the proceeding.

Annuity transfer changes under the bill

Number of transfers

The bill makes several changes to the transfer process. First, the bill allows a winner only to cash out the full amount of the annuity in a single transaction, unless LOT's rules permit additional transfers. Existing law allows a winner to cash out a single prize annuity through a maximum of three partial transfers, unless LOT allows a greater number of transfers by rule. However, a partial transfer is currently allowed only if the value of each portion of the annuity to be transferred is at least $500,000.

Second, the bill prohibits a transferee from then transferring the annuity rights to a third person in a manner that would require LOT to make annuity payments to that third person. Current law includes several provisions that account for this possibility and lay out procedures for taxing the parties involved, depending on their business structures. But, existing law allows LOT to object to a transfer to a third person if the annuity has been transferred within the last 12 months. If LOT objects, and the court finds that the prize was transferred within the last 12 months, the court must disapprove the transfer.

Independent professional advice

Finally, the bill modifies a current provision of law that requires a winner to receive independent professional advice before the court can approve a transfer. Currently, the law requires that, as a condition of approval, the court must find that the winner has received independent professional advice regarding the legal and other implications of the transfer. The

[112] R.C. 3770.06, not in the bill, and Ohio Lottery, Cash Option Values, available at ohiolottery.com under "Claim Prizes."

adviser must not be affiliated in any manner with, or compensated in any manner by, the transferee. And, the adviser's compensation must not be affected by whether the transfer occurs.

The bill adds a requirement that the independent professional advice include advice concerning the financial implications of the transfer, in addition to the "legal and other" implications. Further, under the bill, the adviser must be one of the following:

- An attorney;
- A certified public accountant;
- An actuary;
- A financial planner who is accredited by a nationally recognized accreditation agency.

Current law requires the adviser to be "an attorney, a certified public accountant, an actuary, or any other licensed professional adviser," and does not mention a financial planner.

For a court to approve a transfer, the bill requires the transferee to submit a statement, signed under penalty of perjury by the winner and the winner's licensed professional adviser, evidencing that the winner received the required advice. Currently, the court must determine that the winner received that advice, but the law does not require documentation.

Withholding from lottery sports gaming and VLT winnings

(R.C. 718.031, 3121.441, 3123.89, 3123.90, 3770.071, 3770.072, 3770.073, 3770.074, 3770.075, 3770.10, 3770.25, 3775.16, 5747.062, 5747.063, and 5747.064; Section 801.120)

Background on gambling winnings withholding

Under continuing law, when a person's winnings from the Ohio Lottery, sports gaming, or casino gaming meet or exceed a given dollar threshold (in most cases, $600), the agency or business that pays out the winnings first must collect identifying information from the winner and withhold the following amounts:

- State income tax;
- Municipal income tax, in the case of casino winnings, winnings at a physical sports gaming facility, or winnings at a video lottery terminal (VLT) facility located at a horse racetrack, also known as a racino;
- Any past due child or spousal support the winner owes, according to a database maintained by JFS;
- Any debts the winner owes to the state or a political subdivision, according to a database maintained by the Attorney General.

For all four categories, the withholding threshold is the dollar threshold at which the agency or business paying out the winnings also must report the payout to the Internal Revenue

Service on Form W-2G.[113] A person whose payout is less than the threshold amount still must pay income taxes on the person's net gambling winnings for the year, but the taxes are due when the person files a tax return instead of being withheld up front.

Responsibility for withholding under the bill

With respect to withholding from lottery winnings as described above, the bill makes changes and clarifications to specify whether LOT, a video lottery sales agent, or a sports gaming proprietor is responsible for withholding from winnings, based on the type of game. The bill assigns responsibility for withholding from winnings as follows:

- LOT generally must withhold amounts from lottery winnings, such as from scratch-off tickets, drawings, KENO, and instant games (continuing law);
- Video lottery sales agents must withhold amounts from VLT winnings;
- Sports gaming proprietors generally must withhold amounts from lottery sports gaming winnings;
- But, in the case of lottery sports gaming conducted on a terminal that also offers other lottery games, LOT must withhold amounts from winnings from bets placed through the terminal.

Current law is unclear or contradictory in some places regarding who actually pays out winnings from lottery sports gaming and from VLTs, and thus who is responsible for withholding. Both types of gaming are administered by LOT in conjunction with private businesses – sports gaming proprietors in the case of lottery sports gaming, and video lottery sales agents in the case of VLTs.

In particular, the bill removes existing language that requires that when a VLT facility offers lottery sports gaming, the video lottery sales agent must withhold amounts from lottery sports gaming payouts. The bill also adds references to withholding procedures for video lottery sales agents to clarify that those agents, not LOT, conduct all types of withholding from VLT winnings.

Further, the bill clarifies that a sports gaming proprietor is responsible for withholding all amounts from lottery sports gaming winnings. But, under the bill, if the lottery sports gaming is operated on a terminal that also offers other lottery games (such as instant games), LOT must handle the withholding for all payouts won on the terminal. The bill's withholding changes apply beginning on January 1, 2026.

[113] 26 U.S.C. 6041 and Internal Revenue Service, Instructions for Forms W-2G and 5754, Revised January 2021 (PDF), available at irs.gov under "Forms & Instructions."

Gaming expansion

(Section 737.20)

The bill states that, not later than December 31, 2025, the General Assembly must determine a manner of expanding gaming opportunities in the state of Ohio.

DEPARTMENT OF MEDICAID

Medicaid eligibility

Federal medical assistance percentage for expansion eligibility group

- Requires the Department of Medicaid (ODM) to immediately terminate medical assistance for members of the Medicaid expansion eligibility group (Group VIII) if the federal government sets the federal medical assistance percentage (FMAP) below 90%.
- Requires ODM, not later than 15 days following a change in the FMAP as described above, to certify the state and federal shares of the total actual expenditures for Group VIII for the most recently completed month before the change.
- Establishes procedures for keeping those state share amounts within the General Revenue Fund during each fiscal year in the biennium, before transferring those amounts to the Budget Stabilization Fund or Expanded Sales Tax Holiday Fund under continuing law.
- If medical assistance is terminated as described above during FY 2026 or FY 2027, requires ODM to establish a phased transition plan to assist former members of Group VIII by redirecting them to private insurance subsidies or charity care programs.
- Authorizes ODM to establish a temporary hospital assessment or a temporary federally qualified health center or federally qualified health center look-alike assessment to offset the cost of uncompensated care provided to former Group VIII enrollees.

Medicaid coverage of aged, blind, and disabled (ABD) individuals

- Eliminates provisions of law that (1) permit Medicaid eligibility requirements for the aged, blind, and disabled (ABD) population to be more restrictive than those under the Supplemental Security Income Program and (2) require those more restrictive requirements to be consistent with the federal 209(b) option for Medicaid eligibility.

Change in circumstances eligibility verification

- Requires ODM or its designee to begin utilizing third-party data sources and systems to conduct eligibility change in circumstances checks for all Medicaid recipients on at least a quarterly basis.
- Requires ODM to disenroll individuals found to be no longer eligible for Medicaid.
- Requires ODM to submit periodic reports to the Executive Director of the Joint Medicaid Oversight Committee (JMOC) detailing verification efforts and any findings of fraud, waste, and abuse in the Medicaid program.
- Permits ODM to employ a similar process for determining whether members of Group VIII are complying with any established work and community engagement requirements.

- Specifies that any third-party vendor expenses incurred from the required verification are contingent on validated cost savings realized by ODM.

Medicaid waiver for reentry services

- Requires ODM to establish a Medicaid waiver component to provide services to Medicaid-eligible inmates for 90-days prior to release.

Continuous Medicaid enrollment for children

- Eliminates law that requires ODM to seek approval to provide continuous Medicaid enrollment for Medicaid-eligible children from birth through age three.

Unearned income disregard for individuals with disabilities

- When determining eligibility for the Medicaid Buy-In for Workers with Disabilities program or the program referred to as Ohio WorkAbility, requires that $20,000 of an individual's unearned income be disregarded.

Hospital presumptive eligibility

- Requires ODM, by January 1, 2026, to submit a waiver request to eliminate mandatory Medicaid hospital presumptive eligibility and to limit presumptive eligibility determinations to only pregnant women and children.
- Requires that under the waiver request, ODM also seek to establish requirements for qualified hospitals making presumptive eligibility determinations, including penalties for failure to meet those requirements.
- Prohibits ODM from designating itself as a qualified health entity for presumptive eligibility determinations or any other purpose not expressly authorized by state or federal law.
- Within 90 days after receiving waiver approval, requires the Auditor of State to conduct an audit to ensure compliance with the bill's requirements.

Medicaid eligibility fraud restitution

- Permits a court to order restitution of 200% of the amount paid for Medicaid services provided for a person found guilty of Medicaid eligibility fraud.

Medicaid workforce development study

- Requires ODM to conduct a comprehensive study on the feasibility, legality, and potential cost savings of establishing a Medicaid waiver component that imposes work requirements for Medicaid recipients and includes additional supplemental workforce development requirements.
- Requires the Medicaid Director, not later than September 1, 2026, to prepare and submit a report detailing ODM's findings and any policy recommendations.

Private insurance outreach program

- Requires ODM to create and administer an outreach program to provide information, awareness, and assistance to Medicaid recipients to help them transition to private insurance.

Nursing facilities

Case-mix score grouper methodology for nursing facilities

- When determining a case-mix score for a nursing facility, requires ODM to use the grouper methodology used on October 1, 2019 (instead of June 30, 1999), for the patient driven payment model nursing index for prospective payments of skilled nursing facilities under the Medicare program.
- Modifies the authority of ODM to adopt rules concerning case-mix scores.

Nursing facility quality incentive payment

- Eliminates law specifying that if a nursing facility undergoes a change of owner with an effective date of July 1, 2023, or later, the facility does not receive a Medicaid quality incentive payment for a specified period of time.
- Extends from July 1, 2023, to July 1, 2025, the law prohibiting a nursing facility from receiving a Medicaid quality incentive payment for a specified period of time if the facility undergoes a change of operator on or after that date.

Nursing facility private room incentive payments

- Repeals current law that permits ODM to deny an application for a private room if approval would cause expenditures for private rooms to exceed $160 million in a fiscal year.
- Instead, permits ODM to deny an application if approval would cause the total number of private rooms to exceed 15,000 rooms and prohibits ODM from paying a private room incentive payment for more than 15,000 rooms.
- Requires ODM to submit a quarterly report on the number of private rooms in Ohio to JMOC and requires the OBM Director to include that information in its biennial Medicaid caseload and expenditure report to the Governor.

Personal needs allowance

- Increases the Medicaid personal needs allowance for nursing facility and ICF/IID residents on Medicaid from $50 to $75 for individuals and from $100 to $150 for married couples.

Waiver of ineligibility period for nursing facility services

- Permits, rather than requires, ODM under certain circumstances to grant a waiver to a resident of a nursing facility who is ineligible to receive nursing facility services due to the individual or individual's spouse disposing of assets for less than fair market value.

Medicaid providers

Home and community-based services (HCBS) direct care worker wages

- Requires ODM, jointly with the Department of Aging and the Department of Developmental Disabilities, to collect data from providers regarding the wages paid to direct care workers providing direct care services under Medicaid HCBS waiver components and submit a report to the Governor.

Direct care rate determinations

- Requires a nursing facility's direct care rate for FY 2026 and FY 2027, to equal a percentage of the difference between the rate in effect on January 1, 2025, and the rate determined utilizing the case-mix score calculated in accordance with the bill's requirements.

Doula services

- Limits Medicaid coverage of doula services to the six counties with the most infant deaths.

Freestanding birthing centers

- Requires a hospital with a maternity unit that accepts Medicaid to enter into a transfer agreement with any freestanding birthing center located within a 30-mile radius that requests one.
- Requires the freestanding birthing center to file a copy of the transfer agreement with the ODH Director.

Medicaid services

Social gender transition

- Prohibits the distribution of Medicaid funds to provide mental health services that promote or affirm social gender transition.

Rapid whole genome sequencing

- Requires the Medicaid Director to provide Medicaid reimbursement for rapid whole genome sequencing to infants under one year old with complex or acute unexplained illnesses.

Nursing facility dialysis services

- For FY 2026 and FY 2027, requires ODM to provide a rate add-on of $110 per treatment for dialysis services provided in a nursing facility to a Medicaid recipient.

Care management system

Medicaid MCO data cross checks

- Requires each Medicaid MCO to conduct internal cross checks of its data systems for specified information related to Medicaid enrollees assigned to the MCO.

Automatic enrollment in Medicaid MCO plan

- Permits individuals participating in the Medicaid care management system to enroll in the Medicaid MCO plan of their choosing.
- If an individual does not select a Medicaid MCO plan, requires ODM to randomly assign the individual to a plan without giving preference to a specific MCO plan or group of plans.
- Requires ODM to notify the General Assembly, the JMOC Executive Director of, and the Auditor of State within 30 days if it determines it cannot satisfy these requirements.

Special programs

Medicaid buy-in for workers with disabilities program premiums

- Eliminates the requirement that individuals whose income exceeds 150% FPL must pay an annual premium as a condition of qualifying for the Medicaid buy-in for workers with disabilities program.

Hospital Additional Payments Program

- Establishes the Hospital Additional Payments Program for inpatient and outpatient hospital services provided to enrollees in the Medicaid care management system at in-state hospitals.

Rural Southern Ohio Hospital Tax Pilot Program and assessment

- Permits the Medicaid Director to establish the Rural Southern Ohio Hospital Tax Pilot Program for directed payments to rural southern Ohio hospitals.
- Establishes requirements that a hospital must satisfy to participate in the pilot program.
- Permits counties in which the pilot program operates to establish a local hospital assessment to provide the nonfederal share of Medicaid payments made under the pilot program.

Medicaid state directed payment programs

- Establishes conditions that must be satisfied upon the creation of a Medicaid state directed payment program that is funded in a manner other than by ODM of the hospital franchise fee program.
- Requires such a state directed payment program to comply with applicable federal regulations.
- Specifies that a state directed payment program subject to the bill's requirements may not be established without first being approved by JMOC.
- Generally limits state directed payment programs described above to those established for hospital providers and services or professional services provided by hospitals, and to one state directed payment program per identified provider class.

- Specifies that the Medicaid Director is not required to establish a state directed payment program described above if there is no available or sufficient federal or local funding to sustain the program.

General

Diversity, equity, and inclusion

- Prohibits Medicaid funds from being used for diversity, equity, and inclusion initiatives.

Prior authorization

- Requires ODM to reestablish and resume prior authorization requirements for prescription and other drugs, tests and diagnostic procedures, and medical procedures under the Medicaid program.

Medicaid separate health care services line items

- Requires the OBM Director, in consultation with the Medicaid Director, to request and propose multiple Medicaid health care services general revenue fund appropriation line items in subsequent state budgets.

Exemption from adjudication

- Exempts ODM from the requirement to conduct an adjudication in accordance with the Administrative Procedure Act, and subjects providers to existing reconsideration procedures instead, under the following circumstances:
  - When a Medicaid provider agreement requires the provider to hold a license, permit, or certificate and it is inactive by any means or has been surrendered, withdrawn, retired, or otherwise restricted.
  - When a provider's application for a provider agreement is denied or the provider agreement is terminated or not revalidated because a license, permit, or certificate is inactive by any means.

Right of recovery for cost of medical assistance

- Permits an individual who was a recipient of medical assistance and repaid money between April 6, 2007, and September 28, 2007, to ODM or a county department of job and family services pursuant to a right of recovery, to request a hearing regarding those payments.
- Authorizes any of the following to request a hearing: (1) a medical assistance recipient, (2) the authorized representative, (3) the executor or administrator of the estate, (4) a court-appointed guardian, or (5) an attorney directly retained by a recipient, or the recipient's parent, or legal or court-appointed guardian.

MyCare Ohio expansion

- Requires the Director to continue to expand the Integrated Care Delivery System (ICDS, also known as "MyCare Ohio"), or its successor program, to all Ohio counties.

- Requires the Director to select the entities for the expanded program.
- Requires the Director to (1) include entities that offer Medicare coordination only dual special needs plans but do not participate in the ICDS and (2) allow program participants the choice to enroll in a Medicare coordination only dual special needs plan offered by an entity that does not participate in the program, or to remain with their current plan.
- Requires ODM to establish requirements for care management and coordination of waiver services, subject to enumerated requirements.

MyCare successor program

- Authorizes ODM to include a Fully Integrated Dual Eligible Special Needs Plan established in accordance with federal law as a replacement for the ICDS.
- Requires the successor program to (1) include entities that offer Medicare coordination only dual special needs plans but do not participate in the successor program and (2) allow program participants the choice to enroll in such a plan offered by an entity that does not participate in the program, or to remain with their current plan.

Hospital Care Assurance Program; franchise permit fee

- Eliminates the sunset of the Hospital Care Assurance Program and franchise permit fee that were set to terminate the program and assessment on October 1, 2025.

Appeal of hospital assessment or audit

- Specifies that a final reconciliation of an annual hospital assessment constitutes an interim final order.
- Permits a hospital that requests reconsideration of a preliminary determination of an assessment imposed on the hospital to submit its written materials to ODM by (1) regular mail, (2) electronic mail, or (3) in-person delivery.
- Eliminates a requirement that ODM hold a public hearing if one or more hospitals requests a reconsideration of a preliminary determination of an assessment to be imposed upon the hospital.
- When a hospital appeals a final determination of the hospital's annual assessment, clarifies that the complete record of the proceedings includes all documentation considered by ODM in issuing the final determination.
- Requires a hospital to seek a declaratory judgment, rather than appeal the results of an audit conducted by ODM, when the audit determines the hospital paid amounts to ODM that the hospital should not have been required to pay or paid amounts it should have been required to pay.
- When seeking a declaratory judgment, requires a hospital to deposit any funds that are not in dispute into the Hospital Care Assurance Program fund while judicial proceedings are pending.

Residential facility directory

- Requires ODM to publish a directory of all residential facilities licensed by DBH on ODM's website.

Medicaid visit verification system

- Establishes duties on, and grants authority to, ODM, the Department of Developmental Disabilities, Medicaid MCOs, and other entities authorized to pay Medicaid claims in the event the Medicaid Director establishes an electronic visit verification system in rule.

Reports, notifications, and audits

Quarterly Medicaid statement of expenditures form

- Requires the Director to immediately provide notice if CMS takes certain actions related to the Quarterly Medicaid Statement of Expenditures Form submitted by ODM.

Medicaid audit of MCOs

- Requires ODM to conduct an annual financial audit of each Medicaid MCO and prepare and submit a report to the General Assembly and the Joint Medicaid Oversight Committee.

Audit of Next Generation

- Requires the Auditor of State to conduct both a performance audit and a fiscal audit of ODM's Next Generation system and submit copies of the audit reports to the JMOC Executive Director by December 31, 2027.

Medicaid eligibility

Overview

Medicaid is a health insurance program for low-income individuals. State governments administer state-specific Medicaid programs subject to federal oversight by the Centers for Medicare and Medicaid Services (CMS) in the U.S. Department of Health and Human Services (HHS). Funding for the program comes primarily from federal and state government sources. The Ohio Department of Medicaid (ODM) administers Ohio's Medicaid program.

Federal medical assistance percentage for expansion eligibility group

(R.C. 5163.04; Sections 333.360 and 513.10)

For most Medicaid service costs, federal financial participation (FFP) is determined for each state by the state's federal medical assistance percentage (FMAP). A state's FMAP is the percentage of dollars spent on Medicaid costs that are reimbursed by the federal government. FMAP is generally established for each state using a formula and varies between the states. However, in some instances, federal law specifies a designated FMAP for certain services or certain eligibility groups. One such group is the Medicaid expansion eligibility group (often

referred to as Group VIII). Group VIII includes nondisabled adults under the age of 65 with no dependents and incomes at or below 138% FPL. Under current federal law, the FMAP for services provided to Medicaid enrollees in Group VIII is 90%.[114] The bill specifies that if the FMAP for medical assistance provided to Group VIII enrollees is set below 90%, ODM must immediately terminate medical assistance for members of the group.

In addition to terminating medical assistance for members of Group VIII, the bill additionally requires ODM, not later than 15 days after such a change to the FMAP, to certify to (1) the OBM Director, (2) the Joint Medicaid Oversight Committee (JMOC), (3) the Speaker of the House, and (4) the Senate President the total state and federal shares of expenditures in the Medicaid program for Group VIII in the most recently completed month before the change to the FMAP.

The bill specifies that the state share amount that is certified by ODM as described above is to be multiplied by the number of months remaining in the fiscal year. This amount is to remain in the general revenue fund until the end of the fiscal year, at which time the amount is to be transferred in accordance with continuing law to the Budget Stabilization Fund or Expanded Sales Tax Holiday Fund. If the change to the FMAP occurs in the first year of a fiscal biennium, the state share amount is multiplied by 12 to calculate the amount for the second fiscal year of the biennium. The bill exempts these transfers from the bill's general provision requiring that the balance of the general revenue fund on June 30, 2025, and June 30, 2026, remain in the general revenue fund.

The bill further provides that if the FMAP for Group VIII is set below 90% during FY 2026 or FY 2027, ODM must establish a phased transition plan to assist former Group VIII enrollees by redirecting them to private insurance subsidies or charity care programs that provide medical assistance. As part of the transition plan, the bill permits the Director to establish (1) a temporary hospital assessment, (2) a temporary federally qualified health center assessment, or (3) a temporary federally qualified health center look-alike assessment to help offset the costs of uncompensated care that may result from providing care to former members of Group VIII. If the Director establishes any of the assessments described above, the Director may request approval from the Controlling Board to transfer and increase appropriations to implement the assessments.

Medicaid coverage of aged, blind, and disabled individuals

(R.C. 5163.05, repealed; conforming changes in R.C. 5163.03)

The bill eliminates ODM's authority to impose more restrictive Medicaid eligibility requirements for the aged, blind, and disabled (ABD) eligibility group than the eligibility requirements for individuals receiving benefits under the Supplemental Security Income (SSI) Program. The bill also eliminates a related provision that requires that any more restrictive eligibility requirements established for the ABD group must be consistent with the federal 209(b) option for Medicaid eligibility. ODM has not exercised the option described above since 2016 and

[114] 42 U.S.C. 1396d(y).

has instead based eligibility for individuals in the ABD eligibility group on SSI eligibility requirements.

Change in circumstances eligibility verification

(R.C. 5163.50)

Within 30 days after this section takes effect, the bill requires ODM or its designee to begin utilizing third-party data sources and systems to conduct eligibility change in circumstances checks for all Medicaid recipients on at least a quarterly basis. To the extent permitted by state and federal law, ODM or its designee must verify each Medicaid recipient's enrollment records against third-party data systems, including: (1) information and databases available to ODM under federal law, (2) identity records, (3) death records, (4) employment and wage records, (5) lottery winning records, (6) residency checks, (7) household composition and asset records, (8) incarceration records, (9) records indicating concurrent enrollment in Medicaid programs in other states, (10) third-party liability records, and (11) any other records ODM considers appropriate in order to strengthen program integrity, reduce costs, and to reduce fraud, waste, and abuse in the Medicaid program. To the extent permitted by federal law, ODM must disenroll Medicaid recipients who are determined to be ineligible for Medicaid based on verified changed circumstances.

The bill requires ODM to prepare and submit a report to the JMOC Executive Director by December 31, 2025, detailing its findings from the verification described above, including any findings of fraud, waste, and abuse in the Medicaid program. ODM must submit updated reports to the Executive Director every six months following submission of the initial report.

The bill provides that to the extent practical, ODM must employ the verification processes described above to verify whether members of Group VIII comply with Ohio's work and community engagement waiver component authorized under continuing law. Additionally, the bill authorizes Medicaid providers to employ the same verification processes to verify an individual's eligibility for Medicaid.

The bill further provides that any third-party vendor expenses incurred from conducting the verification procedures described above are entirely contingent on validated cost savings realized by ODM.

Medicaid waiver for reentry services

(R.C. 5166.50)

Within one year, the bill requires ODM to apply for a Medicaid waiver component that provides reentry services to Medicaid-eligible imprisoned individuals for 90 days prior to the individual's expected release date. The reentry services include mental and behavioral health services and substance use disorder treatment and related services. The bill also requires the provision of a 30-day supply of prescription medicine to an eligible inmate who is being released, including medication administered by injection. ODM is required to implement the waiver component within one year of CMS approval.

If ODM is unable to apply for the waiver within one year of the bill's effective date, the Department may request an extension of up to 30 days from the Speaker of the House and the

Senate President. Similarly, if ODM is unable to implement the waiver in the required timeframe, it may request an extension for the amount of time needed.

If CMS does not approve the waiver, ODM is required to reapply within four years of the provision's effective date.

Although federal law prohibits Medicaid payment for most health care services to incarcerated individuals,[115] recently, CMS released guidance encouraging states to apply for a Section 1115 demonstration waiver to test strategies to support community reentry for incarcerated individuals.[116]

Continuous Medicaid enrollment for children

(R.C. 5166.45, repealed)

The bill eliminates law that requires ODM to seek CMS approval to provide continuous Medicaid enrollment for Medicaid-eligible children from birth through age three. Currently, ODM is required to establish a Medicaid waiver component that allows a Medicaid-eligible child to remain eligible until the earlier of (1) the end of a continuous 48-month period, or (2) the date the child exceeds age four. The waiver does not apply to a child who is deemed presumptively eligible for Medicaid, is eligible for alien emergency medical assistance, or is eligible for the refugee medical assistance program.

Unearned income disregard for individuals with disabilities

(R.C. 5163.093)

For purposes of determining eligibility for the Medicaid Buy-In for Workers with Disabilities (MBIWD) program and the program referred to as Ohio WorkAbility, the bill requires that $20,000 of an individual's unearned income be disregarded. The Ohio WorkAbility program is an optional eligibility group that is separate from the MBIWD eligibility group. Under state and federal law, the MBIWD eligibility group includes certain disabled individuals under the age of 65. The Ohio WorkAbility program also covers certain disabled individuals who are employed, but does not include an age restriction. H.B. 33 of the 135th General Assembly extended Medicaid coverage to individuals in the Ohio WorkAbility group and clarified that it was the General Assembly's intent to cover individuals in the Ohio WorkAbility program who are age 65 or older in a manner that is consistent with Medicaid coverage for individuals in the MBIWD program.[117]

[115] 42 U.S.C. 1396d(a)(A), not in the bill.

[116] As of April 8, 2025, according to the KFF Medicaid Waiver Tracker, CMS has approved waivers for 19 states: AZ, CA, CO, HI, IL, KY, MD, MA, MI, MT, NH, NM, NC, OR, PA, UT, VT, WA, and WV.

[117] R.C. 5163.063, not in the bill.

Medicaid presumptive eligibility

(R.C. 5163.102)

Background

The bill makes a number of changes involving Medicaid presumptive eligibility. Presumptive eligibility refers to a mechanism whereby individuals may receive immediate Medicaid benefits for a temporary period based on limited information, while applying for Medicaid. Federal Medicaid laws and regulations establish basic presumptive eligibility requirements, and states develop and implement presumptive eligibility programs within those requirements. Federal regulations require states to allow hospitals to make presumptive eligibility determinations for specified eligibility groups, and permit states to allow other qualified entities to make presumptive eligibility determinations. Ohio currently offers presumptive eligibility to children, pregnant women, and parents or caretaker relatives residing with a child.

Presumptive eligibility

The bill requires ODM, by January 1, 2026, to seek approval from CMS to eliminate mandatory hospital presumptive eligibility under Ohio's Medicaid program and limit presumptive eligibility determinations to only children and pregnant women. The bill specifies that if CMS denies or withdraws approval of the request, ODM must resubmit the request within 24 months following the denial or withdrawal. If CMS grants approval, the Auditor of State must conduct an audit within 90 days of the approval to ensure ODM's compliance with these requirements.

Hospital presumptive eligibility requirements

As part of its request to CMS, ODM must seek approval to establish a program that requires each hospital qualified to make presumptive eligibility determinations do the following:

- Notify ODM of each presumptive eligibility determination made by the hospital within five days of the determination date;
- Assist applicants who have been determined presumptively eligible to submit a complete Medicaid application;
- Notify the applicant in writing on all forms used for presumptive eligibility determinations that the applicant must file a complete Medicaid application before the last day of the following month, or the applicant will lose coverage;
- Notify the applicant that if the applicant's Medicaid application is filed before the last day of the month after the applicant is presumed eligible, the presumptive eligibility coverage will continue until a final determination is made on the application.

Hospital presumptive eligibility standards

The bill additionally imposes standards that a hospital must satisfy when making presumptive eligibility determinations to ensure the accuracy of those determinations. A hospital must ensure that ODM receives a completed Medicaid presumptive eligibility card within five business days of the date a hospital determines an applicant to be presumptively eligible. A hospital must further ensure that ODM receives a completed Medicaid application for an

applicant before the applicant's presumptive eligibility period expires. Finally, the hospital must ensure that each presumptive eligibility determination is approved for standard Medicaid eligibility after review of an applicant's completed application.

The first time that a hospital fails to meet any of the standards described above, ODM must send the hospital written notice within five days indicating that the standard was not satisfied. This notice must include (1) a description of the standard that was not satisfied and how it was not satisfied, and (2) notification that a subsequent failure to satisfy required standards within one year will result in mandatory training for all hospital staff responsible for presumptive eligibility determinations.

If a hospital fails to meet any presumptive eligibility standards within one year of a first violation, ODM must send additional notice to the hospital within five days from the date of violation. In addition to a description of the standard that was not satisfied, the notice must also provide the date, time, and location of the mandatory training that hospital staff must complete related to presumptive eligibility. This notice must also describe the appeal procedures that are available for a hospital to dispute the finding. Finally, the notice must include a warning that any additional failure to meet presumptive eligibility standards within one year will result in the hospital being disqualified from making further presumptive eligibility determinations.

If a hospital fails to meet one of the standards described above for a third time, and within one year of the second violation, ODM must send notice to the hospital within five days of the violation. This notice must (1) describe the standard that was not met, (2) describe the appeal processes that are available to the hospital, and (3) confirm to the hospital that effective upon the receipt of the notice, the hospital is disqualified from making presumptive eligibility determinations.

ODM as a qualified entity

Finally, the bill prohibits ODM from designating itself as a qualified health entity for purposes of making presumptive eligibility determinations or for any other purpose not expressly authorized by state or federal law.

Medicaid eligibility fraud restitution

(R.C. 2913.401)

Medicaid eligibility fraud is a crime, the severity of which varies from a first degree misdemeanor to a third degree felony depending on the value of the services received. Current law requires the court, in addition to imposing a criminal sentence, to order restitution in the full amount services paid for which the individual was not eligible, plus interest. The bill instead *permits* a court to order restitution of *200%* of that amount.

Medicaid workforce development study

(Section 751.20)

The bill requires ODM to conduct a comprehensive study on the feasibility, legality, and potential cost savings to the Medicaid program of establishing a Medicaid waiver component that imposes work requirements for Medicaid recipients and includes additional supplemental

workforce development requirements. As part of the study, ODM must evaluate the impact of requiring Medicaid recipients who maintain eligibility through satisfying work requirements for 12 consecutive months to enroll in a workforce development program that is either (1) a state-sponsored program that can be completed within 12 months or (2) is a program offered through a private or public training facility, community college, or university and can be completed within 12 months.

Through the study, ODM must assess all of the following:

- The legal feasibility of implementing work and supplemental workforce development requirements as described above;
- Ohio's workforce development training capacity;
- The potential cost savings associated with implementing work and supplemental workforce development requirements;
- The projected impact on Medicaid enrollment if the requirements described above were to be implemented.

By September 1, 2026, ODM must prepare a report detailing its findings from the study, as well as any policy recommendations. The report must be submitted to the Governor, Speaker of the House, Senate President, and the chairperson of the finance committees in the House and Senate.

Private insurance outreach program

(Section 751.80)

Under the bill, during FY 2027, ODM must create and administer an outreach program to provide information, awareness, and assistance to Medicaid recipients to help them transition from Medicaid to private insurance.

Nursing facilities

Case-mix score grouper methodology for nursing facilities

(R.C. 5165.192; Section 333.280)

The bill requires ODM, when determining case-mix scores for a nursing facility, to use the grouper methodology used for the patient driven payment model index by HHS on October 1, 2019, for prospective payment of skilled nursing facilities under the Medicare program, rather than the grouper methodology used on June 30, 1999, as required under current law.

Additionally, the bill eliminates ODM's authority to adopt rules concerning any of the following:

- Adjusting case-mix values to reflect changes in relative wage differentials that are specific to Ohio;
- Expressing case-mix values in numeric terms that are different from the terms specified by HHS but that do not alter the relationship of case-mix values to one another;

- Modifying the grouper methodology by (1) establishing a different hierarchy for assigning residents to case-mix categories under the methodology, and (2) allowing the use of the index maximizer element of the methodology.

Nursing facility quality incentive payment

(R.C. 5165.26)

The bill eliminates law, enacted in 2024 in S.B. 144 of the 135th General Assembly, regarding calculating quality incentive payments for nursing facilities that undergo a change of owner. The law provides that if a nursing facility undergoes a change of owner with an effective date of July 1, 2023, or later, the facility is ineligible to receive a Medicaid quality incentive payment for a period of time. The facility will not receive a quality incentive payment until the earlier of the first day of January or the first day of July, at least six months after the effective date of the change of owner, if within one year after the change of owner, there is an increase in the lease payments or other financial obligations of the operator to the owner above the payments or obligations specified by the agreement between the previous owner and the operator. The bill eliminates this provision.

Similarly, current law provides that if a nursing facility undergoes a change of operator with an effective date of July 1, 2023, or later, the facility is ineligible to receive a quality incentive payment until the earlier of the first day of January or the first day of July, at least six months after the effective date of the change of operator. The bill modifies this date from July 1, 2023, to July 1, 2025, to adjust for the upcoming biennium.

Nursing facility private room incentive payments

(R.C. 5165.158)

The bill eliminates the nursing facility private room incentive payment dollar amount cap and instead establishes a cap on the number of private rooms eligible to receive the payment. H.B. 33 of the 135th General Assembly established a private room incentive payment that eligible nursing facilities can receive as an add-on to the nursing facility per Medicaid day payment rate for Medicaid residents living in private rooms. Under current law, ODM may deny an application for a private room incentive payment if ODM determines that approval of the room would cause projected expenditures for the private room incentive payments for a fiscal year to exceed $160 million (calculated based on a Medicaid utilization of 50% of private rooms). The bill eliminates the $160 million cap and instead permits ODM to deny an application if approval of the private room would cause the total number of private rooms to exceed 15,000 rooms in Ohio. It also prohibits ODM from paying a private room incentive payment rate for more than 15,000 rooms.

The bill also removes outdated provisions relating to ODM's initial approval of private room applications – such as requiring ODM to begin approving applications on January 1, 2024, and hold all applications in pending status until CMS approval of the private room incentive payments.

Private room report

(R.C. 5162.138 and 126.021)

The bill requires ODM to report quarterly on the number of private rooms in nursing homes in Ohio. The report must be submitted to JMOC and the JMOC Executive Director, and include all of the following information for the preceding quarter:

- The total number of licensed private room beds in Ohio nursing homes;
- The number of those beds that are utilized by Medicaid residents;
- The number of those beds that are utilized by private pay or non-Medicaid residents;
- The number of those beds that are occupied;
- The average length of time a Medicaid resident lived in a private room during that period.

Additionally, the OBM Director must submit this information as part of its Medicaid caseload and expenditures forecast report submitted to the Governor by January 1 of each odd-numbered year.

Personal needs allowance

(R.C. 5163.33)

The bill increases the Medicaid personal needs allowance for individuals and married couples. A personal needs allowance is a sum of money a nursing home resident on Medicaid can keep from their income to cover personal expenses not covered by Medicaid. Federal law requires states to set personal needs allowances of at least $30. The bill increases Ohio's nursing home personal needs allowance for nursing facility and ICF/IID residents from at least $50 to at least $75 for an individual and from $100 to $150 for married couples.

Waiver of ineligibility period for nursing facility services

(R.C. 5163.30)

Under continuing law unchanged by the bill, an institutionalized individual is ineligible to receive nursing facility services, nursing facility equivalent services, and home and community-based services under the Medicaid program for a period of time determined by ODM, if the individual or individual's spouse disposes of assets for less than fair market value on or after the designated look-back period following the date on which the institutionalized individual becomes eligible for or applies for Medicaid benefits. The bill permits ODM to grant a waiver of all or a portion of the ineligibility period for the institutionalized individual if the administrator of a nursing facility in which the individual resides has notified the individual of a proposed transfer or discharge from the facility for a failure to pay for the care provided to the individual, and the transfer or discharge has been upheld by a final determination. Current law requires ODM to grant such a waiver.

Medicaid providers

Home and community-based services (HCBS) direct care worker wages

(Section 333.270)

The bill requires ODM, jointly with the Department of Aging and the Department of Developmental Disabilities, to collect data from providers regarding the wages paid to direct care workers providing direct care services under Medicaid HCBS waiver components administered by the departments. Not later than December 31 of each fiscal year of the biennium, ODM must compile a report and submit it to the Governor.

Direct care rate determinations

(Section 333.280)

The bill makes several changes to how a nursing facility's direct care rate is determined. That rate is calculated utilizing case-mix scores.

- From July 1, 2025, through December 31, 2025, the bill specifies that a nursing facility's direct care rate is to be determined utilizing the quarterly case-mix score for the nursing facility as of July 1, 2025.
- From January 1, 2026, through the remainder of FY 2026, the increase or decrease to a nursing facility's direct care rate must equal one-third of the difference between the direct care rate in effect on January 1, 2025, and the direct care rate determined utilizing case-mix scores calculated in accordance with the changes to grouper methodology required by the bill.
- For FY 2027, the increase or decrease to a nursing facility's direct care rate is equal to $^{2}/_{3}$ of the difference between the direct care rate in effect on January 1, 2025, and the direct care rate determined utilizing case-mix scores calculated in accordance with the changes to grouper methodology required by the bill.

Doula services

(R.C. 5164.071)

The bill limits Medicaid coverage of doula services to the six Ohio counties with the most infant deaths, as determined by ODH. Beginning October 3, 2024, and concluding October 3, 2028, current law requires ODM to operate a program to cover doula services. The bill limits that coverage to those six counties. Under continuing law unchanged by the bill, the services must be provided by a doula who has a valid Medicaid provider agreement and is certified by the Ohio Board of Nursing.

Freestanding birthing centers

(R.C. 3722.15)

The bill requires a hospital that is a Medicaid provider and that operates a maternity unit to agree to a transfer agreement with any freestanding birthing center within a 30-mile radius

that requests one. The transfer agreement must specify an effective procedure for the safe and immediate transfer of a patient from the birthing center to the hospital. Transfers occur when medical care is needed beyond the care that can be provided at the center, including when emergency situations or medical complications arise.

When a hospital enters into a transfer agreement with a freestanding birthing center, the center is responsible for filing a copy of the transfer agreement with the Director.

Medicaid services

Social gender transition

(Section 333.13)

The bill prohibits the distribution of Medicaid funds to provide mental health services that promote or affirm social gender transition, to the extent this prohibition is permitted by federal law. Social gender transition is the process in which a person goes from identifying with and living as a gender that corresponds with the person's biological sex, to identifying with and living as a gender different from the individual's biological sex.

Rapid whole genome sequencing

(R.C. 5164.093)

Rapid whole genome sequencing is an investigation of the entire human genome to identify disease-causing genetic changes, including whole genome sequencing of both a patient and a patient's biological parent or parents. The bill requires Medicaid, with approval from CMS, to cover rapid whole genome sequencing for Medicaid patients under one year old who have an unexplained complex or acute illness and who are receiving hospital services in an intensive care unit or other high acuity care unit within a hospital. The Director may also provide coverage for other next-generation sequencing and genetic testing.

Any of the following medical necessity criteria may be required for Medicaid reimbursement of rapid whole genome sequencing:

- Symptoms that suggest a broad differential diagnosis that would require an evaluation by multiple genetic tests if whole rapid genome sequencing is not performed;
- Timely identification of a molecular diagnosis is necessary to guide clinical decision-making, and testing results may guide condition treatment or management;
- Relevant family genetic history;
- Complex or acute illness with an unknown cause including at least one of the following conditions:
  - Congenital anomalies involving at least two organ systems or complex multiple congenital anomalies in one organ system;
  - Specific organ malformation highly suggestive of a genetic etiology;
  - Abnormal laboratory tests or chemistry profiles suggesting the presence of a genetic disease, complex metabolic disorder, or inborn error of metabolism;

- Refractory or severe hypoglycemia or hyperglycemia;
- Abnormal response to therapy related to an underlying medical condition affecting vital organs or bodily systems;
- Severe muscle weakness, rigidity, or spasticity;
- A high-risk stratification for a brief, resolved, unexplained, and recurrent event that is any of (1) an event without respiratory infection, (2) a witnessed seizure-like event, or (3) a cardiopulmonary resuscitation event;
- Refractory seizures;
- Abnormal cardiac diagnostic testing results suggestive of possible channelopathies, arrhythmias, cardiomyopathies, myocarditis, or structural heart disease;
- Abnormal diagnostic imaging studies or physiologic function studies suggestive of an underlying genetic condition;
- Any other condition added by the Director based on new medical evidence.

A laboratory performing rapid whole genome sequencing for an infant through Medicaid must return preliminary positive results within seven days of receiving a sample and must return final results within 15 days.

Genetic data generated as a result of performing rapid whole genome sequencing is protected health information subject to the requirements established by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The primary use of the data is to assist health care professionals in diagnosing and treating a patient. The patient, the patient's legal guardian, or the patient's health care provider may request access to testing results for use in other clinical settings. A health care provider may charge a fee equal to the direct cost of producing the results for use in another clinical setting.

The genetic data may be used for scientific research if the patient's guardian consents. A patient or a patient's legal guardian may rescind consent at any time, and upon receiving written revocation of consent the entity using the data for research must cease use and expunge the patient's information from any data repository where it is held.

The Director may adopt rules or take other administrative action as necessary to implement Medicaid coverage of rapid whole genome sequencing for infants.

Nursing facility dialysis services

(Section 333.263)

For FY 2026 and FY 2027, the bill requires that ODM provide a rate add-on of $110 per treatment for dialysis services provided in a nursing facility to a Medicaid resident.

Care management system

Medicaid MCO data cross checks

(R.C. 5167.104)

Continuing law unchanged by the bill authorizes ODM to enter into contracts with Medicaid MCOs to authorize or arrange for the provision of health care services to Medicaid recipients participating in the care management system. The bill specifies that each contract entered into between ODM and a Medicaid MCO must require the MCO to conduct internal cross checks of its data systems for information concerning Medicaid enrollees under the MCO's plan. Specifically, the bill requires an MCO to check for an enrollee's (1) name, (2) date of birth, (3) Social Security number, and (4) home address.

Automatic enrollment in Medicaid MCO plan

(R.C. 5167.03)

The bill permits an individual participating in the Medicaid program through the care management system to select a Medicaid MCO plan in which to enroll, during a time period specified by ODM. If an individual does not select a MCO plan in which to enroll during that time period, the bill specifies that ODM must randomly assign the individual to a plan without giving deference to any specific MCO plan or group of plans.

The bill further specifies that if ODM is unable to satisfy the requirements described above, it must notify the General Assembly, the JMOC Executive Director of the Joint Medicaid Oversight Committee, and the Auditor of State within 30 days after making this determination. As part of the notice, ODM must provide an explanation as to why it is unable to satisfy the requirements.

Special programs

Medicaid buy-in for workers with disabilities program premiums

(R.C. 5162.133, 5163.091, 5163.093, 5163.094, and 5163.098)

The bill eliminates a requirement that individuals whose income exceeds 150% FPL must pay an annual premium as a condition of qualifying for the Medicaid buy-in for workers with disabilities (MBIWD) program. MBIWD is an optional eligibility group covered by the Medicaid program. It allows certain disabled individuals who are employed to be enrolled in the Medicaid program so long as their income does exceed 250% FPL.

Hospital Additional Payments Program

(Section 333.140)

The bill establishes the Hospital Additional Payments Program as a state directed payment program for inpatient and outpatient hospital services provided to enrollees in the Medicaid care management system who receive care at in-state hospitals. Under the program, participating hospitals and hospital industry representatives must work collaboratively with ODM to establish quality improvement initiatives that align with and advance the goals of ODM's

quality strategy required under federal law. Participating hospitals will receive direct payments for services provided under the program.

Rural Southern Ohio Hospital Tax Pilot Program and assessment

(Sections 333.290 and 333.300)

Pilot program

The bill authorizes the Medicaid Director to establish the Rural Southern Ohio Hospital Tax Pilot Program to provide directed payments to rural southern Ohio hospitals and their related health systems. To be eligible to participate in the pilot program, a hospital must (1) be enrolled as a provider in the Medicaid program, and (2) be located in Fayette, Greene, Highland, Hocking, Muskingum, Perry, Pike, Ross, or Scioto County.

The pilot program must comply with all federal law requirements governing state directed payment programs, including all of the following:[118]

- The pilot program must be approved by CMS and the Medicaid Director must seek approval for the pilot program in accordance with existing law.
- Directed payments under the program may not exceed the average commercial rate under a preprint form as approved by CMS.
- The pilot program must be subject to an evaluation plan.

As a condition of participation in the pilot program, a hospital must enter into one or more contracts related to the program that ODM considers necessary. The bill specifies that any required contracts must be executed not later than October 1 in a year immediately preceding the first fiscal year of a biennium. Additionally, a hospital must comply with (1) average commercial rate reporting requirements established by ODM and (2) ODM's quality measure set, including the metrics and targets set by ODM to advance the goals and objectives of ODM's quality strategy, as required under federal regulations. Hospitals must also cooperate with any evaluation or reporting requirements established by ODM.

The bill further specifies that no hospital provider may participate in the pilot program unless sufficient tax funds are assessed, collected, obligated, and appropriated. The Medicaid Director may terminate or decline to establish the pilot program if federal or local tax funding is not available or sufficient to sustain the program, and at no time is ODM required to provide funding for the program. If at any time ODM is informed that the assessment established to fund the nonfederal share of the pilot program is an impermissible health care related tax, it must promptly refund the amounts paid by each hospital into the Rural Southern Ohio Hospital Tax Pilot Program Fund under the program.

Assessment

To provide the nonfederal share of payments made under the pilot program, the bill permits counties in which the program will operate to establish a local hospital assessment. If a

[118] 42 C.F.R. 438.6(c).

local hospital assessment is established, it must comply with all federal requirements applicable to provider assessments.

The bill permits counties to set the annual rate of the local hospital assessment. An assessment must apply uniformly to all nonpublic hospitals with the jurisdiction of the county, and at the discretion of the counties, may also apply to public hospitals. The rate of an assessment, in the aggregate, must be sufficient to cover (1) the nonfederal share of Medicaid payments that benefit hospitals in the counties, and (2) the administrative expenses for administering the local hospital assessment, up to $150,000 annually. The bill further provides that the implementation of a local hospital assessment must further Ohio's evolving quality goals, including (1) improving mental health, (2) substance abuse prevention, and (3) advancing maternal health. Counties may impose penalties upon hospitals that fail to pay the assessment in a timely manner.

The bill permits contiguous counties participating in the pilot program to establish a multi-county funding district for the purposes of a local hospital assessment. The boundaries of a multi-county funding district are coextensive with the combined boundaries of the counties that comprise the funding district. The bill specifies that a multi-county funding district is a governmental entity.

To establish a multi-county funding district, the bill requires the board of county commissioners of each county within the boundaries of a proposed district to pass a resolution or ordinance establishing the district and appointing a county commissioner to serve on the district's governing board. Before a new county may join the district, the resolution or ordinance of each county in the district must be amended. The appointed county commissioner from each member county constitutes the governing board of the district. A county may replace its appointment to the governing board by resolution or ordinance. The bill authorizes a governing board to delegate the operational and administrative burdens of the funding district to the counties within the district. Not later than 60 days after a funding district is established, a governing board must designate at least one county to serve as the operational and administrative lead for the district. The designation may be changed at any time.

Medicaid state directed payment programs

(R.C. 5162.25)

The bill establishes conditions that must be satisfied upon the creation of a state directed payment program that is funded in a manner other than by ODM or the hospital franchise permit fee program. All new and existing state directed payment programs subject to the bill's requirements must comply with all federal law requirements governing state directed payment programs, including all of the following:[119]

- The program must be approved by CMS and the Medicaid Director must seek approval for the program in accordance with existing law.

[119] 42 C.F.R. 438.6(c).

- Directed payments under the program may not exceed the average commercial rate for all providers participating under a preprint form approved by CMS, unless the payments are exempted by a value-based purchasing agreement approved by CMS.
- The program must be subject to an evaluation plan.

Before a state directed payment program may be established, the bill requires that the program first be approved by JMOC.

The bill limits such state directed payment programs to hospital providers and services or professional services provided by hospitals. At the discretion of the Director, one state directed preprint form approved by CMS may be approved for (1) inpatient and outpatient hospital services, (2) physician services, and (3) children's hospitals participating in the Acceleration for Kids Quality Initiative.

As a condition of participating in a state directed payment program, a hospital provider must enter into one or more contracts related to the program, as ODM considers necessary. The bill specifies that any required contract must be executed not later than October 1 in a year immediately preceding the first fiscal year of a biennium.

Additionally, a hospital must comply with (1) average commercial rate reporting requirements established by ODM and (2) ODM's quality measure set, including the metrics and targets set by ODM to advance the goals and objectives of the Department's quality strategy, as required under federal regulations. Hospitals must also cooperate with any evaluation or reporting requirements established by ODM.

The bill stipulates that a hospital provider may not participate in a state directed payment program unless sufficient funds are obligated and appropriated. The ODM Director may terminate or decline to establish a state directed payment program if federal or local funding is not available or sufficient to sustain the program. ODM is not required to provide funding for a state directed payment program.

General

Diversity, equity, and inclusion

(Section 333.12)

The bill prohibits Medicaid funds from being used for diversity, equity, and inclusion initiatives, to the extent permitted by federal law. This prohibition does not apply to funds appropriated to provide services that support access to the community for Medicaid recipients with intellectual and developmental disabilities.

Prior authorization

(Section 751.60)

The bill requires ODM to reestablish and resume the prior authorization requirements for prescription and other drugs, tests and diagnostic procedures, and medical procedures under the Medicaid program, beginning on the provision's effective date. On July 12, 2024, ODM sent a press bulletin to Medicaid providers announcing that due to technical issues with fee-for-service

prior authorization submissions in the electronic provider network, it would be lifting prior authorization requirements for claims with service dates beginning on July 30, 2024, until further notice. The bill requires a resumption of those Medicaid prior authorization requirements.

Medicaid separate health care services line items

(R.C. 126.024)

Beginning with the biennial state budget after H.B. 96, the bill requires the OBM Director, in consultation with the Medicaid Director, to request and propose multiple Medicaid health care services general revenue fund appropriation items. At a minimum, the bill requires that the Directors propose separate health care services appropriation items for all of the following:

- Services provided under the care management system;
- Nursing facility services;
- Hospital services;
- Behavioral health services;
- Services provided under Medicaid waiver components administered by ODA;
- Prescription Drug Services;
- Physician services;
- Services provided under the Ohio Home Care Waiver Program;
- Any other services the Directors determine should have a separate appropriation item.

Exemption from adjudication

(R.C. 5164.38)

The bill exempts ODM from the requirement to conduct an adjudication in accordance with the Administrative Procedure Act (APA) under certain circumstances primarily related to the inactive status of a provider's license, permit, or certificate. Generally, under existing law, ODM must issue an order pursuant to an adjudication under the APA when it does any of the following:

- Refuses to enter into a provider agreement with a Medicaid provider;
- Refuses to revalidate a Medicaid provider's provider agreement;
- Suspends or terminates a Medicaid provider's provider agreement;

One circumstance under which ODM is not required to conduct an adjudication under the APA is when the terms of a provider agreement require the Medicaid provider to hold a license, permit, or certificate or maintain a certification issued by another governmental entity (credential), and the credential has been denied, revoked, not renewed, suspended, or otherwise limited. The bill adds to these circumstances: when the credential is inactive by any means, or is surrendered, withdrawn, retired, or otherwise restricted.

Another circumstance under which ODM is not required to conduct an APA adjudication is when the Medicaid provider's application for a provider agreement is denied or the provider

agreement is terminated or not revalidated because of the termination, refusal to renew, or denial of the credential, even if the provider may hold the credential in another state. The bill adds the inactivation of the credential by any means to these circumstances.

Under existing law, when ODM denies, refuses to validate, suspends, or terminates a provider agreement, the provider may request a reconsideration of the provider's exclusion from participating in the Medicaid program.[120]

Right of recovery for cost of medical assistance

(R.C. 5160.37)

Under current law, ODM and county departments of job and family services have an automatic right of recovery against the liability of a third party that pays for the cost of medical assistance provided to a medical assistance recipient enrolled in the Medicaid program. The law provides that when a medical assistance recipient secures a settlement, compromise, judgment, or award or any recovery related to a claim by a medical assistance recipient against a third party for the cost of medical assistance, there is a rebuttable presumption that ODM or the county department is entitled to the lesser of (1) one-half of the remaining amount after fees, costs, and expenses are deducted from the total judgment, award, settlement, or compromise, or (2) the actual amount of medical assistance paid.

The bill permits an individual who was a recipient of medical assistance who repaid money to ODM or a county department under the automatic right of recovery described above, between April 6, 2007, and September 28, 2007, to request a hearing to rebut the presumption about the amount the individual repaid. A request must be made within 180 days after the bill's effective date. The presumption described above is successfully rebutted if the requestor demonstrates by clear and convincing evidence that a different allocation is warranted.

Under the bill, any of the following may submit a request for a hearing:

- The medical assistance recipient;
- The recipient's authorized representative;
- The executor or administrator of a recipient's estate who is authorized to make or pursue a request;
- A court-appointed guardian;
- An attorney who has been directly retained by the recipient, or the recipient's parent, legal guardian, or court-appointed guardian.

MyCare Ohio expansion

(Section 333.250)

The bill requires the Director, in accordance with the provisions established in 2023 in H.B. 33 of the 135th General Assembly, to continue to expand the Integrated Care Delivery System

[120] R.C. 5164.33, not in the bill.

(ICDS, known as "MyCare Ohio") to all Ohio counties during FY 2026 and FY 2027. If the Director terminates MyCare Ohio, the successor program must serve all Ohio counties as well. The bill requires the Director to select the entities for the expanded program, and to include entities that offer Medicare coordination only dual special needs plans but do not participate in MyCare. Specifically, the Director must approve entity contracts for coordination only dual special needs plans that are offered by entities not selected to participate in MyCare or the successor program and permit those entities to enroll MyCare or successor program participants. Additionally, the Director must allow MyCare participants the choice to enroll in a Medicare coordination only dual special needs plan offered by an entity that does not participate in MyCare or the successor program, or to remain on their current plan. Coordination only dual special needs plans are Medicare Advantage plans for individuals who are eligible for both Medicare and Medicaid, but they are not fully integrated plans.

ODM must establish requirements for care management and coordination of wavier services in the expanded program, subject to the following:

- The selected entities must employ the applicable area agency on aging to be coordinators of home and community-based services under a Medicaid waiver component available for eligible individuals over age 59.
- The entities may delegate to the area agency on aging full care coordination function for home and community-based services and other health care services received by those eligible individuals.
- Individuals enrolled in an entity's plan may choose the entity or its designee as the care coordinator, as an alternative to the area agency on aging.
- ODM may specify an alternative approach to care management and coordination of waiver services if the area agency on aging's performance does not meet the program requirements or if ODM determines that the needs of a defined group of individuals require an alternative approach.

MyCare Ohio successor program

(R.C. 5167.01 and 5167.03)

The bill permits ODM to include a Fully Integrated Dual Eligible Special Needs Plan (FIDE SNP) as a replacement, successor program for MyCare Ohio. Both MyCare and a FIDE SNP permit individuals who are dually eligible for services under both the Medicaid and Medicare programs to receive services under a single managed care plan. Same as above for the MyCare expansion, the bill requires the Director, in the successor program, to (1) include entities that offer Medicare coordination only dual special needs plans but do not participate in the successor program and (2) allow program participants the choice to enroll in a Medicare coordination only dual special needs plan offered by an entity that does not participate in the program, or to remain with their current plan.

Hospital Care Assurance Program; franchise permit fee

(Section 610.10)

The Hospital Care Assurance Program (HCAP) is a program administered by ODM to distribute funds to hospitals that provide a disproportionate share of services to low-income individuals. As a condition of receiving payments under HCAP, hospitals must provide basic, medically necessary, hospital-level services to state residents with incomes below the federal poverty level. To raise funds necessary to make payments under HCAP, ODM imposes annual assessment fees on all hospitals. In addition to the HCAP annual assessment, ODM also imposes a separate annual assessment on hospitals to help pay for the Medicaid program. To distinguish that assessment from HCAP, the assessment is sometimes called a hospital franchise permit fee.

H.B. 870 of the 119th General Assembly (1992) established a sunset provision for HCAP and the hospital franchise permit fee. The initial sunset was scheduled for October 1, 1995. However, the sunset date has since been extended by each subsequent General Assembly. Most recently, H.B. 33 of the 135th General Assembly (2023) extended the sunset to October 16, 2025. The bill repeals this sunset provision, thereby making the continued operation of HCAP and the hospital franchise permit fee permanent.

Appeal of hospital assessment or audit

(R.C. 5168.08, 5168.11, and 5168.22)

Hospital assessments

Hospital Care Assurance Program

The bill makes substantive changes to the Hospital Care Assurance Program (HCAP) annual assessment imposed on all hospitals as a funding mechanism for the program. Continuing law, unchanged by the bill, requires ODM to issue a preliminary determination of the amount the hospital is to be assessed during the program year. Upon receipt of a preliminary determination from ODM, a hospital may request reconsideration of the preliminary determination. The bill specifies that a final reconciliation constitutes a final interim order that may be subject to adjustments made by CMS. Under current law, if a hospital does not request reconsideration of the preliminary determination, the preliminary determination constitutes final reconciliation of the assessment.

If one or more hospitals seeks a redetermination of a preliminary determination, current law requires the hospital to submit a written request to ODM not later than 14 days after the preliminary determination is issued. The request must include written materials that set forth the basis for the redetermination.

The bill expands these notice provisions by permitting delivery of the written materials by (1) regular mail, (2) electronic mail, or (3) in-person delivery. It also eliminates a requirement that ODM hold a public hearing if one or more hospitals seek redetermination of a preliminary determination. The bill's provisions specifying that a final reconciliation constitutes a final interim order that may be subject to adjustments made by CMS also apply to final reconciliations that are the result of a redetermination (current law provides that the redetermination result constitutes final reconciliation of a hospital's assessment).

Under current law unchanged by the bill, ODM must issue each hospital a written notice of its assessment under the final reconciliation, and a hospital may appeal the final reconciliation to the Franklin County court of common pleas. The bill clarifies that the complete record of the appeal proceedings includes all documentation considered by ODM in issuing the final reconciliation.

Hospital franchise permit fee

In addition to the assessment imposed upon hospitals as part of HCAP, Ohio law also imposes the hospital franchise permit fee upon hospitals. The bill makes similar changes to the law governing the additional assessment to those made concerning the assessment imposed under HCAP, including (1) that written materials submitted to ODM by a hospital seeking redetermination of a preliminary determination of the assessment may be delivered to ODM by regular mail, electronic mail, or in-person delivery, and (2) that if a hospital appeals a final determination of its assessment, the complete record of the proceedings includes all documentation considered by ODM in issuing the final determination.

Hospital audit

Under continuing law unchanged by the bill, funds paid by a hospital pursuant to the HCAP assessment are deposited into the Hospital Care Assurance Program fund. ODM may audit the amounts of payments made by a hospital and (1) make payments to a hospital that paid amounts it should not have been required to pay or did not receive amounts it should have, and (2) take action to recover from a hospital any amounts the hospital should have been required to pay but did not or that it should have not received but did.

The bill eliminates the ability of a hospital to appeal the results of an audit and instead requires a hospital that disagrees with the results of an audit to seek a declaratory judgment in Franklin County court. While judicial proceedings are pending, the hospital must pay to the fund any amounts identified by an audit that are not in dispute.

Residential facility directory

(R.C. 5160.53)

The bill requires ODM to collaborate with the Department of Behavioral Health to publish a directory of all residential facilities licensed by DBH. The directory must be published on ODM's website and include each facility's name, full address, services offered, and categorization as a Class 1, Class 2, or Class 3 facility. The categories vary based on the population served, number of individuals residing in the facilities, and services provided.

Medicaid visit verification system

(R.C. 5164.451)

The bill establishes duties on, and grants authority to, ODM, the Department of Developmental Disabilities, Medicaid MCOs, and other entities authorized to pay Medicaid claims in the event the Medicaid Director establishes an electronic visit verification (EVV) system in rule, including all of the following:

- Prohibits the EVV system from exceeding minimum requirements specified in federal law;

- Requires ODM and the Department to provide education and technical assistance to Medicaid providers to aid them in complying with the EVV system;
- Requires a Medicaid provider to be notified if a claim submitted is not supported by evidence in the EVV system;
- Requires ODM, the Department, a Medicaid MCO, or other entity authorized to pay a Medicaid claim to offer the Medicaid provider the opportunity to review and correct such a claim and data in the EVV system;
- Prohibits ODM, the Department, a Medicaid MCO, or other entity from denying a claim that is not supported by information in the EVV system;
- Allows ODM, the Department, a Medicaid MCO, or other entity authorized to conduct a post-payment audit or review to consider information in the EVV system as part of its audit or review protocol;
- Prohibits ODM, the Department, a Medicaid MCO, or other entity to conduct a post-payment audit or review based solely on information in the EVV system.

Reports, notifications, and audits

Quarterly Medicaid statement of expenditures form

(R.C. 5162.14)

The bill requires the ODM Director to immediately notify (1) the Speaker of the House, (2) the Senate President, (3) the JMOC Executive Director, and (4) the chairpersons of the relevant standing committees in the House and Senate if CMS takes certain actions related to the Quarterly Medicaid Statement of Expenditures Form submitted by ODM. A Quarterly Medicaid Statement of Expenditures Form is known as a CMS-64 Form and is used by states to report actual Medicaid program benefit costs and administrative expenses to CMS. Under the bill, the Director must provide notice if CMS does any of the following related to a CMS-64 Form submitted by ODM:

- Determines that the form has a variance of expenditures of 8% or greater;
- Asks any questions related to the form;
- Refuses to certify the information provided on the form;
- Refuses to release any funds to the state.

When providing the notice required under the bill, the Director must include any letter or information provided to ODM by CMS related to its questioning or decision not to certify a CMS-64 Form. Additionally, the Director must include any correspondence from ODM to CMS as part of the notice provided.

Medicaid audit of MCOs

(R.C. 5167.25)

The bill requires ODM to conduct an annual financial audit of each Medicaid MCO, which, at a minimum, includes an examination of the administrative costs and total expenditures of each MCO. As part of the audit, each MCO must submit to ODM a detailed breakdown of the MCO's costs for all capitated payment contracts. ODM must utilize the information provided by MCOs to determine whether they are complying with medical loss ratio requirements. The bill requires ODM to prepare and submit an annual report to the General Assembly and JMOC detailing its findings of the audits conducted.

Audit of Next Generation

(Section 751.70)

The bill requires the Auditor of State to conduct both a performance audit and a fiscal audit of ODM's Next Generation system that went into effect on February 1, 2023, and submit copies of the audit reports to the JMOC Executive Director by December 31, 2027. In conducting the audits, the Auditor must examine:

- The Provider Network Management;
- The Ohio Medicaid Enterprise System;
- The Ohio Resilience Through Integrated Systems and Excellent (OhioRISE) program;
- The Electronic Data Interchange;
- The Medicaid single state pharmacy benefit manager;
- Centralized provider credentialing;
- Prior authorization requirements;
- Issues with late payments to Medicaid providers;
- Any other aspects of the system the Auditor considers relevant.

Ohio's Next Generation program is an ODM initiative to modify Ohio's Medicaid program with a stated goal of improving member and provider experiences, including addressing complex needs. On February 1, 2023, ODM implemented the Next Generation managed care system, which included cross-agency coordination and new electronic data submission and interchange platforms. The bill requires audits of that system.

DEPARTMENT OF NATURAL RESOURCES

Division of Wildlife

Hunting and fishing

- Increases, from $74 to $210, the fee for each nonresident deer permit.
- Increases various fishing license fees charged to a nonresident who is not a resident of a reciprocal state.
- Expands the allowable uses for hunting and fishing related gift certificates.
- Makes permissive, instead of mandatory, the Chief of the Division of Wildlife's authority to adopt rules governing hunting and fishing related gift certificates.
- Eliminates the requirement that the Chief establish fees for gift certificates that equal the total fee for the applicable license, permit, or stamp.
- Eliminates the requirement that a gift certificate expire one year after the date of purchase.
- Allows a resident landowner's parents to hunt and trap on the landowner's property without obtaining a hunting license, deer permit, wild turkey permit, or fur taker permit.
- Allows a resident landowner's grandchildren under 18 to hunt and trap on the landowner's property without obtaining a deer permit, wild turkey permit, or fur taker permit.

Division of Oil and Gas Resources Management

Oil and gas severance tax allocation

- Increases the percentage of oil and gas severance taxes allocated to the Division of Geological Survey, from 10% to 14%, and decreases the percentage to the Division of Oil and Gas Resources Management, from 90% to 86%.

Permit to plug and abandon fee

- Eliminates the $250 permit fee generally required to be paid when applying for a permit to plug and abandon any oil and gas well.

Oil and Gas Resolution and Remediation Fund

- Creates the Oil and Gas Resolution and Remediation Fund (OGRRF) as a custodial fund.
- Requires the Chief of the Division of Oil and Gas Resources Management to use money in the OGRRF to plug orphaned wells in accordance with current law.
- Authorizes the Chief to use the OGRRF for expenses that are critical and necessary for the protection of human health and safety and the environment related to oil and gas production.

- Requires the Treasurer of State, at the beginning of each fiscal year, to transfer the amount of money in the Oil and Gas Well Fund that exceeds the total amount appropriated to it for that fiscal year to the OGRRF.
- Requires the Treasurer to make disbursements, other than interest earnings, from the ORGRRF on a quarterly basis, on order of the Chief.
- Requires the $50 filing fee for an exempt domestic well or exempt Mississippian well (that may be filed in lieu of posting a surety bond) and any funds collected by the Chief from the issuance of corrective action orders to be deposited into the OGRRF instead of the Oil and Gas Well Fund.
- Requires interest earned on the OGRRF to be reserved for use by the ODNR Director for any ODNR-related purpose, subject to the written approval of the Technical Advisory Council on Oil and Gas.

Division of Water Resources

Water withdrawals

- Establishes annual fees for a facility required to register to withdraw waters of the state in an amount greater than 100,000 gallons per day.
- Bases the fee on the withdrawal capacity of the facility.
- Requires fees to be deposited into the existing Water Management Fund.
- Increases the application fee for a consumptive use permit for a facility withdrawing water in the Ohio River Basin from $1,000 to $5,000.
- Increases the application fee for a withdrawal and consumptive use permit for a facility withdrawing water in the Lake Erie Basin from $1,000 to $5,000.

H2Ohio

- Prohibits money in the H2Ohio Fund from being used to purchase land or a conservation easement.

Division of Parks and Watercraft

Creation of new funds

- Creates the Park Lodges, Maintenance, and Repair Fund and the Parks and Watercraft Holding Fund, both in the state treasury, and specifies the purposes of each fund.

Watercraft registration and fees

- Specifies that a required watercraft registration certificate may be in physical or digital form.
- Allows a registration certificate to be presented in physical or digital form within 72 hours of when a watercraft that is not numbered is stopped by a law enforcement officer, rather than only in physical form as in current law.

- Applies the 72-hour registration certificate presentment requirement to kayaks and inflatable watercraft meeting the definition of a paddlecraft.
- Specifies that the above provisions take effect January 1, 2027.

Division of Natural Areas and Preserves

- Allows the Chief of the Division of Natural Areas and Preserves to sell merchandise and other items related to, or that promote, the state's wildlife and unique environment, and general ecological preservation and conservation.
- Requires the money received from the sale of merchandise to be paid into the state treasury to the credit of the Natural Areas and Preserves Fund.

Division of Mineral Resources Management

Long-term Abandoned Mine Reclamation Fund

- Creates in the state treasury the Long-Term Abandoned Mine Reclamation Fund to be administered by the Chief of the Division of Mineral Resources Management.
- Specifies that the fund must consist of grants awarded by the U.S. Secretary of the Interior from the federal Abandoned Mine Reclamation Fund and be used for the abatement of the causes and the treatment of the effects of acid mine drainage resulting from coal mine practices.

Qualifications/exams for certain mining industry positions

- Repeals provisions of Ohio's mine and quarry law specifying the qualifications for (1) fire bosses, (2) shot firers, and (3) forepersons of surface maintenance facilities, and repeals the requirement that the Chief must conduct examinations for these positions and issue certificates to applicants who pass their examinations.
- Retains the requirement that the Chief conduct examinations for other mining-related positions, but specifies that for mine forepersons, forepersons, mine electricians, and surface mine blasters, the Chief must provide examinations "as needed" instead of "quarterly or more often as required" in current law.
- Repeals the requirement that public notice be given announcing the time and place for upcoming examinations.

Program Support Fund

- Codifies the Program Support Fund, which supports centralized service support offices of the Department of Natural Resources (DNR) using payments from divisions within DNR and other payments received for purposes of the fund.

Dredging operations

- Generally prohibits ODNR, when conducting, or contracting with a third party to conduct, dredging operations in the waters of the state, from requiring a license, registration, or

certification for an individual to operate the dredging equipment or watercraft associated with such operations.

- Prohibits any state agency from imposing licensing, registration, or certification requirements on an individual for the operation of such dredging equipment or watercraft.

Division of Wildlife

Hunting and fishing

(R.C. 1533.10, 1533.11, 1533.111, 1533.32, and 1533.131)

Nonresident permit and license fees

The bill increases, from $74 to $210, the fee for each nonresident deer permit. It also increases fishing license fees charged to a nonresident who is not a resident of a reciprocal state as follows:

1. Annual fishing license fee, from $49 to $74;

2. Three-day tourist fishing license fee, from $24 to $50; and

3. One-day fishing license fee, from $13 to $26.

Gift certificates

The bill expands the allowable uses for hunting and fishing related gift certificates to allow a person to obtain, pay for, or purchase both of the following:

1. Any license, permit, or stamp that the Chief of the Division of Wildlife so designates as gift certificate eligible; and

2. Any user fee or conservation-related item, such as a magazine subscription, that the Chief so designates as gift certificate eligible.

Current law allows gift certificates to be used only for hunting and fishing licenses; fur taker, deer, and wild turkey permits; and wetlands habitat stamps.

The bill also allows, instead of requires, the Chief to adopt rules governing hunting and fishing related gift certificates. Further, it eliminates current law's requirement that the Chief establish fees for gift certificates that equal the total fee for the applicable license, permit, or stamp. Finally, it eliminates the requirement that a gift certificate expire one year after the date of purchase.

Hunting on family land

The bill expands the list of relatives that may hunt and trap on an Ohio landowner's property without purchasing a hunting license, deer or wild turkey permit, or fur taker permit from the Ohio Department of Natural Resource's Division of Wildlife. As used in this context, an Ohio landowner includes:

1. An Ohio resident who owns land in Ohio;

2. An Ohio resident member of an LLC or an Ohio resident partner of an LLP, with three or fewer members or partners, that own land in Ohio; and

3. An Ohio resident trustee or an Ohio resident beneficiary of a trust that has a total of three or fewer trustees and beneficiaries, that own land in Ohio.

Hunting license

The bill allows the parents of an Ohio landowner to hunt on the landowner's property without a hunting license. Under current law, an Ohio landowner's children and the landowner's grandchildren under 18 may do so.

Deer and wild turkey permit

The bill allows an Ohio landowner's parents and grandchildren under 18 to hunt deer and wild turkey on the landowner's property without obtaining a deer or wild turkey permit. Under current law, an Ohio landowner's children may do so.

Fur taker permit

The bill also allows an Ohio landowner's parents and grandchildren under 18 to hunt and trap fur-bearing animals on the landowner's property without obtaining a fur taker permit. Currently, an Ohio landowner's children may hunt or trap fur-bearing animals on the land without obtaining a fur taker permit.

Division of Oil and Gas Resources Management

Oil and gas severance tax allocation

(R.C. 5749.02)

The bill increases the percentage of oil and gas severance taxes credited to the Geological Mapping Fund, from 10% to 14%, and decreases the percentage to the Oil and Gas Well Fund, from 90% to 86%. The Geological Mapping Fund funds the activities of DNR's Division of Geological Survey. The Oil and Gas Well Fund funds the activities of DNR's Division of Oil and Gas Resources Management.

Severance tax is levied upon the extraction or severance of natural resources from the soil or waters of Ohio. Under continuing law, the rate of severance tax imposed on oil is 10¢ per barrel and the rate on natural gas is 2.5¢ per 1,000 cubic feet (MCF). The bill leaves unchanged the distribution of a separate cost recovery assessment that equals 10¢ per barrel of oil and 0.5¢ per MCF of gas, all of which is credited to the Oil and Gas Well Fund.[121]

Permit to plug and abandon fee

(R.C. 1509.13, conforming change in R.C. 1509.071)

The bill eliminates the $250 nonrefundable permit fee that is generally required to be paid when a person applies for a permit to plug and abandon any oil and gas well. Under continuing law, a person must apply for and receive a permit from the Chief of the Division of Oil

[121] R.C. 1509.50, not in the bill.

and Gas Resources Management before plugging and abandoning a well. The bill, however, retains the $500 fee an applicant must pay to receive the permit in an expedited manner, which the Chief must issue within seven days after submission of the request for expedited review, unless the Chief, by order, denies the application.

Oil and Gas Resolution and Remediation Fund

(R.C. 1509.02, 1509.07, 1509.071, 1509.075, and 1509.38)

The bill creates the Oil and Gas Resolution and Remediation Fund (OGRRF) as a custodial fund. It requires the Chief of the Division of Oil and Gas Resources Management to use money in the OGRRF to plug orphaned wells in accordance with current law. The Chief may use the OGRRF for expenses that are critical and necessary for the protection of human health and safety and the environment related to oil and gas production. The Treasurer of State must disburse money, other than interest earnings, from the ORGRRF quarterly on order of the Chief.

Investments

The bill allows the Treasurer of State to invest any portion of the OGRRF not needed for immediate use in the same manner as, and subject to all provisions of law with respect to the investment of, state funds.

Deposits into the OGRRF

Under the bill, the Treasurer of State, at the beginning of each fiscal year, must transfer to the OGRRF the amount of money in the Oil and Gas Well Fund that is in excess of the total amount appropriated to it for that fiscal year. Additionally, instead of the Oil and Gas Well Fund, as under current law, the bill requires the following to be credited to the OGRRF, rather than the Oil and Gas Well Fund as in current law:

1. The $50 filing fee for an exempt domestic well or exempt Mississippian well (that may be filed in lieu of posting a surety bond); and

2. Any funds collected by the Chief from the issuance of corrective action orders related to the plugging of oil and gas wells.

Interest earned

Under the bill, interest earned on the OGRRF must be credited to the OGRRF and reserved for use by the ODNR Director for any ODNR-related purpose, subject to the written approval of the Technical Advisory Council on Oil and Gas. If the Council receives a request from the ODNR Director to approve an expenditure from the OGRRF, the Council must vote to approve or deny that expenditure. The Council must then notify the Director in writing of the approval or denial. The Director must provide the Treasurer of State with written notice of the Council's approval before the Treasurer of State disburses money from the OGRRF.

Division of Water Resources

Water withdrawals: facility registration fee

(R.C. 1521.16)

Current law requires the owner of a facility that has a capacity to withdraw an amount of water greater than 100,000 gallons per day to register the facility with the Chief of the Division of Water Resources. The bill establishes annual fees for a facility required to so register. The fees are based on the registered withdrawal capacity of the facility as follows:

- For a facility with a registered withdrawal capacity of 100,000 to 249,999 gallons per day, $75.
- For a facility with a registered withdrawal capacity of 250,000 to 499,999 gallons per day, $100.
- For a facility with a registered withdrawal capacity of 500,000 to 999,999 gallons per day, $150.
- For a facility with a registered withdrawal capacity of 1,000,000 to 9,999,999 gallons per day, $250.
- For a facility with a registered withdrawal capacity of 10,000,000 to 49,999,999 gallons per day, $550.
- For a facility with a registered capacity of 50,000,000 gallons per day or greater, $1,050.

The bill requires the fees to be deposited into the existing Water Management Fund, which is administered by the Division of Water Resources and used for a variety of purposes, including to administer the law related to the Division of Water Resources, to make loans and grants to government agencies for water management, and to perform watershed and water resources studies.

Withdrawal and consumptive use permit application fee

(R.C. 1521.23 and 1522.12)

The bill increases the application fee for a consumptive use permit for a facility withdrawing water in the Ohio River Basin from $1,000 to $5,000. The bill also increases the application fee for a withdrawal and consumptive use permit for a facility withdrawing water in the Lake Erie Basin from $1,000 to $5,000.

H2Ohio

(R.C. 126.60)

The bill prohibits any state agency or any person or entity that receives H2Ohio program money from using it to purchase land or a conservation easement. The H2Ohio program is Ohio's statewide approach to protect and improve water quality. It is administered by the Ohio Lake Erie Commission, the Department of Agriculture, the Department of Natural Resources, and the Environmental Protection Agency. The H2Ohio Fund, under current law, may be used for various types of water projects; awarding or allocating grants or money for projects designed to address

water quality priorities; fund cooperative research; and other purposes that align with a statewide strategic vision and comprehensive periodic water protection and restoration strategy.

Division of Parks and Watercraft

Creation of new funds

(R.C. 1546.25 and 1546.26)

The bill creates the Park Lodges, Maintenance, and Repair Fund and the Parks and Watercraft Holding Fund, both in the state treasury as follows:

DNR fund creation		
Fund	**Money credited to fund**	**Allowable fund uses**
Park Lodges, Maintenance, and Repair Fund	Money that DNR's Division of Parks and Watercraft receives from contractual agreements with service providers and concessionaires for state park lodges, restaurants, and marinas.	To pay maintenance and repair costs for facilities operated by concessionaires and service providers at state park lodges, restaurants, and marinas.
Parks and Watercraft Holding Fund	Money received by the Division of Parks and Watercraft from gift card sales, credit card sales, and sales conducted at field locations.	Funds are transferred to the appropriate DNR fund. For gift card sales, the Division Chief must transfer money in the fund to the appropriate fund after gift certificates and gift cards are redeemed.

Watercraft registration certificate inspection

(R.C. 1547.54)

Current law generally requires the registration certificate for a watercraft to be on the watercraft and available for inspection at all times the watercraft is in operation. The bill permits the registration certificate to be on the watercraft in either physical or digital form.

Existing law also requires a person operating a canoe, rowboat, or inflatable watercraft on the waters of Ohio that has not been numbered and that is stopped by a law enforcement officer to present a registration certificate to the officer not later than 72 hours after being stopped. The bill allows the registration certificate to be presented to the officer in physical or digital form. It also applies this presentment requirement to kayaks and inflatable watercraft meeting the definition of a paddlecraft.

Division of Natural Areas and Preserves: merchandise sales

(R.C. 1517.11)

The bill allows the Chief of the Division of Natural Areas and Preserves to sell any of the following:

- Items related to, or that promote, Ohio's native plants and animals, unique ecology and geology, and general ecological preservation and conservation such as pins, apparel, stickers, books, bulletins, maps, publications, calendars, and other educational articles and Division-branded merchandise;
- Items pertaining to Ohio's ecology including native plants.

The bill directs all money received from the sale of merchandise for deposit into the state treasury to the credit of the Natural Areas and Preserves Fund, which is created under current law.

Division of Mineral Resources Management

Long-term Abandoned Mine Reclamation Fund

(R.C. 1513.371)

The bill creates the Long-Term Abandoned Mine Reclamation Fund in the state treasury to be administered by the Chief of the Division of Mineral Resources Management. The fund consists of grants awarded by the U.S. Secretary of the Interior from the federal Abandoned Mine Reclamation Fund under the federal "Infrastructure Investment and Jobs Act" (IIJA).[122] All investment earnings of the fund are also credited to the fund.

As specified in the bill, the fund must be used for abatement of the causes and treatment of the effects of acid mine drainage resulting from coal mine practices. The scope of the fund's purpose includes the following:

- The costs of building, operating, maintaining, and rehabilitating acid mine drainage treatment systems;
- The prevention, abatement, and control of subsidence; and
- The prevention, abatement, and control of coal mine fires.

According to the Office of Surface Mining Reclamation and Enforcement within the U.S. Department of the Interior, "acid mine drainage" (also referred to as "acid drainage" or "AMD") is "[w]ater with a pH of less than 6.0 and in which total acidity exceeds total alkalinity, discharged from an active, inactive, or abandoned surface coal mine and reclamation operation or from an

[122] Infrastructure Investment and Jobs Act, Pub. L. No. 177-58, not in the bill.

area affected by surface coal mining and reclamation operations." "Subsidence" is "[s]urface caving or sinking of a part of the earth's crust due to underground mining excavations."[123]

IIJA

The IIJA reauthorized the coal reclamation fee from coal mine operators under the "Surface Mining Control and Reclamation Act of 1977," and provided emergency appropriations to the Abandoned Mine Reclamation Fund for grants to eligible states and tribes for the reclamation of abandoned coal mining sites. Under the IIJA, the coal fee may be collected until the end of federal fiscal year 2034.[124]

Other mine reclamation and abatement funds

The bill makes no changes to the ongoing law regarding the Abandoned Mine Reclamation Fund and the Acid Mine Drainage Abatement and Treatment Fund. Both funds are administered by the Chief and are funded by grants from the U.S. Secretary of the Interior.

Current law requires expenditures from the Abandoned Mine Reclamation Fund for certain specified purposes, including reclamation and restoration of land and water resources adversely affected by past coal mining; prevention, abatement, treatment, and control of water pollution created by coal mine drainage; and prevention, abatement, and control of coal mine subsidence. The law establishing the Acid Mine Drainage Abatement and Treatment Fund provides for the comprehensive abatement of the causes and treatment of the effects of acid mine drainage within qualified hydrologic units affected by coal mining practices.[125]

Qualifications/exams for certain mining industry positions

(R.C. 1561.13, 1561.18, repealed, 1561.21, repealed, 1561.22, repealed, and 1561.23; R.C. 1561.16, 1561.46, and 1561.48 (conforming changes))

The bill repeals Ohio mining and quarry law provisions that specify the qualifications for the mining industry positions of forepersons of surface maintenance facilities, fire bosses, and shot firers. Consequently, the bill also repeals the requirement that the Chief conduct examinations for these positions and issue certificates to applicants who pass their examinations.

Under continuing law, the Chief must conduct examinations for several other mining-related positions. The bill specifies that for persons seeking certificates as mine forepersons, forepersons, mine electricians, and surface mine blasters, the Chief must provide examinations "as needed," instead of providing them "quarterly or more often as required" as under current law. Finally, the bill also repeals the requirement that public notice, through the press or otherwise, be given announcing the time and place at which examinations are to be held.

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[123] U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement, "Glossary," available on the Office's website: osmre.gov.

[124] Congressional Research Service (CRS), "In Focus: The Abandoned Mine Reclamation Fund: Issues and Legislation in the 117th Congress" (PDF), updated January 7, 2022, available on the CRS website: congress.gov/crs-products.

[125] R.C. 1513.37(A) and (E), not in the bill.

Program Support Fund

(R.C. 1501.47)

The bill codifies the Program Support Fund, which is used by the Director to support centralized service support offices of DNR. The fund consists of payments from divisions within DNR and any other payments received by DNR related to the purposes of the fund.

The Program Support Fund was created in uncodified law by H.B. 110 of the 134th General Assembly in 2021.[126]

Dredging operations

(R.C. 1501.46)

The bill prohibits ODNR, when conducting, or contracting with a third party to conduct, dredging operations in the waters of the state, from requiring a license, registration, or certification for an individual to operate the dredging equipment or watercraft associated with such operations unless otherwise provided in federal law.

It also prohibits any state agency from imposing licensing, registration, or certification requirements on an individual for the operation of such dredging equipment or watercraft. However, ODNR or another state agency still may impose licensing, registration, or certification requirements, in accordance with current law, for the actual dredging operation.

[126] Section 343.20 of H.B. 110, 134th General Assembly (2021).

BOARD OF NURSING

- Establishes an additional ground upon which the Board of Nursing may impose discipline on the holder of a nursing license or dialysis technician certificate – that the holder failed to cooperate with a Board-conducted investigation.

Disciplinary grounds – failure to cooperate

(R.C. 4723.28)

The bill establishes an additional reason for the Board of Nursing to impose professional discipline on the holder of a nursing license or dialysis technician certificate – that the holder failed to cooperate with an investigation conducted by the Board. Under its existing rulemaking authority, the Board could extend this additional reason for taking disciplinary action to its regulation of medication aides and community health workers.[127]

Failure to cooperate includes (1) failing to comply with a Board-issued subpoena or order or (2) failing to answer truthfully a question presented by the Board in an investigative interview, in an investigative office conference, at a deposition, or in written interrogatories. The bill also clarifies that failure to cooperate does not include failing to comply with a subpoena quashed by a court or, as permitted by court order, withholding evidence or testimony.

[127] See R.C. 4723.652(A) and 4723.88(F), not in the bill.

OIL AND GAS LAND MANAGEMENT COMMISSION

Standard lease

- Requires the standard oil and gas lease used by state agencies to include an option to extend the primary term of the lease for an additional five years (rather than three years as under current law) by tendering to the state agency the same bonus paid when first entering into the lease.
- Requires the standard lease also to include specific provisions governing the payment of rentals and bonus amounts; tolling of the lease term; and deferments.

Bids and leases for exploration on state-owned land

- Requires a state agency, when entering into a lease with a person for the exploration and development of oil and gas on state-owned land, to fully execute the lease within 30 days after the Oil and Gas Land Management Commission selects the person with the highest and best bid.
- Prohibits a state agency and the Commission from charging any additional fee (that is not specifically authorized or required) to a person bidding or entering into a lease to explore and develop oil and gas on state-owned land.
- Allows the person so bidding to offer an extra gross landowner royalty in addition to the required $1/8$ gross landowner royalty amount and any proposed lease bonus.

Oil and gas leases

(R.C. 155.33 and 155.34)

Standard lease

The bill requires the standard oil and gas lease used by state agencies to include an option to extend the primary term of the lease for an additional five years, instead of three years under current law, by tendering to the state agency the same bonus paid when first entering into the lease. It also requires the standard lease to include the following specific provisions, notwithstanding any other provision of the lease to the contrary:

1. "Lessee is entitled to pay any advanced delay rentals/bonus amounts owed under this Lease within sixty (60) calendar days after Lessee receives a copy of this Lease executed by Lessor."

2. "In the event that a parcel subject to this Lease was acquired or improved through, or is otherwise encumbered by, a federal grant program, the Primary Term of the Lease shall be tolled until the requirements of the program, and any related grant documents, have been fully satisfied by Lessor and Lessor notifies Lessee in writing of same."

3. "In the event that a parcel subject to this Lease was acquired or improved through, or is otherwise encumbered by, a federal grant program, Lessee may defer payment of all sums

otherwise due and owing under this Lease until the requirements of the program, and any related grant documents, have been fully satisfied by Lessor and Lessor notifies Lessee in writing of same."

4. "In the event that litigation of any kind or character is filed by a third party that may adversely impact Lessee's ability to conduct operations under the Lease, including an appeal before a court or the oil and gas commission, the Primary Term of the Lease shall be tolled until such time as there is a final, nonappealable order entered in such litigation."

5. "In the event that litigation of any kind or character is filed by a third party that may adversely impact Lessee's ability to conduct operations under the Lease, including an appeal before a court or the oil and gas commission, Lessee may defer payment of all sums otherwise due and owing under this Lease until a final, nonappealable order is entered in such litigation."

Bids and leases for exploration on state-owned land

The bill requires a state agency, when entering into a lease with a person for the exploration and development of oil and gas on state-owned land, to fully execute the lease within 30 days after the Oil and Gas Land Management Commission selects the person with the highest and best bid. Current law requires a state agency to enter into a lease with the person selected by the Commission who submits the highest and best bid, taking into account the financial responsibility of the prospective lessee and the ability of the prospective lessee to perform its obligations under the lease, but does not specify the length of time within which the lease must be executed.

The bill also prohibits a state agency (generally ODNR) and the Commission from charging any additional fee (that is not specifically authorized or required) to a person bidding or entering into a lease to explore and develop oil and gas on state-owned land. However, it allows *the person so bidding* to offer an extra gross landowner royalty in addition to the required ⅛ gross landowner royalty amount and any proposed lease bonus.

STATE BOARD OF PHARMACY

Regulation of wholesale and retail drug distributors

- Expressly requires the State Board of Pharmacy to license out-of-state business operations involved in the retail and wholesale sale of drugs: terminal distributors, wholesale distributors, outsourcing facilities, third-party logistics providers, repackagers, and manufacturers.
- Increases the fees for issuing and renewing licenses for in-state terminal distributors.
- Requires all licensed drug distributors to have a responsible person designated and available at all times, to notify the Board of the person designation, and to pay a fee of $15 to make a change.
- Increases the fees for issuing and renewing registration for pharmacy technicians.

Instruments to reduce drug poisoning

- Expands, beyond fentanyl testing strips, the items that may be lawfully possessed and used to test for the presence of drugs and to prevent drug poisoning, without being considered in violation of the prohibition against drug paraphernalia.
- Requires the Board to adopt rules for approving additional types of instruments that may be possessed and used because they demonstrate efficacy in reducing drug poisoning by determining the presence of specific compounds.

Regulation of retail and wholesale drug distributors

Nonresident operations – licensure and fees

(R.C. 4729.52, 4729.54, and 4729.551, repealed; conforming changes in R.C. 3719.04, 4729.56, 4729.561, and 4729.60)

The bill expressly requires the State Board of Pharmacy to license out-of-state business operations involved in the retail and wholesale drug supply chain: terminal distributors, wholesale distributors, outsourcing facilities, third-party logistics providers, repackagers, and manufacturers. The bill's requirement replaces existing provisions that indirectly require or only authorize the Board to license out-of-state operations.

The bill designates the licenses that are issued to out-of-state operations as "nonresident licenses," which corresponds with existing Board rules addressing out-of-state licensure of terminal distributors.[128] For the remaining types of drug distributors, the bill requires the nonresident license that is issued to include an appropriate subcategory designation, based on the type of business involved: wholesale distributor of dangerous drugs, outsourcing facility,

[128] See O.A.C. Chapter 4729:5-8.

third-party logistics provider, repackager of dangerous drugs, or manufacturer of dangerous drugs.

For a terminal distributor, the fee for issuing or renewing a nonresident license is $500. For the remaining types of drug distributors, the fee for issuing or renewing a nonresident license is $2,000.

Procedures for issuing and renewing a nonresident license are the same as those that the Board uses for licensing in-state operations. Where necessary, the bill makes distinctions between provisions that apply differently to in-state or out-of-state operations.

For terminal distributors, the bill clarifies that the Board's general confidentiality requirements apply when investigatory information is received through agreements with other regulatory agencies. This requirement currently exists under agreements involving investigations of the remaining types of drug distributors.

In-state terminal distributor fees

(R.C. 4729.54)

Regarding the various categories of terminal distributor licenses that the Board issues to in-state operations, the bill increases the fees for initial and renewed licenses as follows:

- $360 (from $320) for a Category II license, including a limited license. (Category II excludes controlled substances.)
- $460 (from $440) for a Category III license, including a limited license and a pain management clinic license. (Category III includes controlled substances.)
- $160 (from $120) for a terminal distributor license that must be obtained by an entity that typically is exempt from licensure, except for that fact that it possesses controlled substances, compounded drugs, or drugs used in compounding.[129]
- $160 (from $120) for a terminal distributor license obtained by a veterinary practice.
- $160 (from $120) for a terminal distributor license obtained by an emergency medical service organization satellite.

Responsible person

(R.C. 4729.52 and 4729.54; conforming changes in R.C. 4729.53 and 4729.80)

The bill requires each type of drug distributor licensed by the Board, both in-state and out-of-state, to designate a person to serve for the licensed location as its responsible person. To qualify, a person must meet the requirements established by the Board in rules. There must be a responsible person available at all times. Along with the license holder, the designated person accepts responsibility for the operation of the licensed location in accordance with state and federal laws and rules.

[129] See R.C. 4729.541.

Each licensed drug distributor must notify the Board of the designated responsible person and any subsequent change that is made. Notice is to be provided in accordance with Board rules. For any change of responsible person, the Board must assess a fee of $15.

To correspond with the statutory requirement to designate a responsible person, the bill modifies provisions of existing law that indirectly acknowledge that the Board has adopted rules establishing a responsible person requirement.[130]

Pharmacy technicians

(R.C. 4729.901, 4729.902, and 4729.921)

Regarding the Board's current regulation of pharmacy technicians in their various categories, the bill increases the fees that are charged as follows:

- $65 (from $50) for initial registration as a registered pharmacy technician or certified pharmacy technician;
- $65 (from $50) for the biennial renewal of registration as a registered pharmacy technician or certified pharmacy technician. (The bill reflects in statute the two-year registration period that is currently established by Board rule.[131])
- $40 (from $25) for registration as a pharmacy technician trainee. (By Board rule, a trainee's registration is valid for 18 months, which the bill reflects by adjusting the existing one-year statutory minimum accordingly.[132])

Instruments to reduce drug poisoning

(R.C. 4729.261 (primary) and 2925.14)

The bill expands the types of items that a person may possess and use to test for the presence of drugs, and thereby prevent drug poisoning, without being guilty of the crime of illegal use or possession of drug paraphernalia. As part of its expansion, the bill maintains the exemption that currently applies only to fentanyl testing strips, and it extends the exemption to other items if they have been approved by the Board.

For purposes of the bill, the Board must adopt rules establishing standards and procedures for its approval of types of instruments that demonstrate efficacy in reducing drug poisoning by determining the presence of a specific compound or group of compounds. The Board is not permitted to approve any type of instrument to the extent that it is intended to measure the purity of a mixture.

[130] See O.A.C. 4729:5-2-01 and 4729:6-2-01.

[131] O.A.C. 4729:3-2-03.

[132] O.A.C. 4729:3-2-01(D).

OFFICE OF PUBLIC DEFENDER

- Allows the Ohio Public Defender (OPD) to contract with private counsel to provide legal representation in parole, probation, community control, and post-release control revocation matters when the Public Defender does not have capacity to handle a matter.
- Creates the Northwest Regional Hub pilot program.
- Requires that each county submit a biannual indigent defense cost projection report to OPD with data on the most current projected costs of the indigent defense services in the county for the next two upcoming fiscal years.

Outside counsel in revocation hearings

(R.C. 120.06 and 120.08)

The bill allows the Ohio Public Defender (OPD) to contract with private counsel to provide legal representation in parole, probation, community control, and post-release control revocation matters when OPD determines it does not have the capacity to provide legal representation. When OPD contracts with private counsel under this provision, OPD must directly pay private counsel's fees and expenses from the Indigent Defense Support Fund. Continuing law requires OPD to provide legal representation in revocation matters involving parole, probation, community control, or post-release control where the alleged violator does not have financial capacity to retain counsel.

Northwest Regional Hub pilot program

(Section 371.30)

The bill creates the Northwest Regional Hub pilot program to allow Allen, Hardin, and Putnam counties to opt in to a system that places responsibility for the counties' indigent defense with OPD. Under the pilot program, in FY 2026 and FY 2027, OPD must establish the program to provide indigent defense services for those counties that elect to join, in lieu of those counties managing those services directly and applying for reimbursement.

Opting in

If a pilot county elects to participate in the program, the county must pass a resolution to become part of the Northwest Regional Hub, thereby transferring administration of the counties' indigent defense system to OPD for the period of the pilot program. If a pilot county opts in, OPD must assume responsibility for representation of indigent persons in those counties, except to the extent where the court appoints outside counsel.

OPD case load

OPD must consult with the county commissioners, judiciary, and local attorneys in counties that have opted to participate in the pilot program to determine the number of cases the public defender will handle directly. Generally, OPD will provide direct representation to indigent defendants in not more than 80% of cases in a participating county, with the remainder

of cases handled by counsel appointed by the court under continuing law. But where OPD, in consultation with county commissioners, judiciary, and local attorneys, determines that there is insufficient local counsel available to fill an appointment, OPD must provide direct representation regardless of the 80% cap.

Transferring employees

When a county transfers indigent defense services to OPD under the pilot program, and the transferring county operates a county public defender office at the time of the transfer, the employees of the transferring county public defender may be transferred to employees of the OPD as the OPD determines to be necessary for successful implementation of the program, to the extent possible, with no loss of service credit.

Withdrawing from the pilot

A county that wishes to withdraw from the pilot program and resume responsibility for the delivery of indigent defense services must provide OPD with a copy of a resolution electing to withdraw and must hold a public meeting regarding the withdrawal, providing notice at least seven days before the meeting to the local bar association, every judge serving in the county, the county prosecutor, the county public defender, and every attorney who is on the court's roster for appointment to provide indigent defense under continuing law.

Indigent defense cost projection report

(Section 371.20)

The bill requires each county, through its county commission, to submit a biannual indigent defense cost projection report to OPD. The report must be submitted on or before July 31, 2026, and must contain data on the most current projected costs of the indigent defense services in the county for the next two upcoming state fiscal years at the time of submission.

DEPARTMENT OF PUBLIC SAFETY

Motor vehicle registration and title

Additional motor vehicle registration and renewal fees

- Beginning January 1, 2026, increases the additional annual motor vehicle registration and renewal fees from $11 to $16 for noncommercial vehicles and from $30 to $35 for nonapportioned commercial vehicles.

Disabled veterans: registration transfer fee exemption

- Exempts a disabled veteran from the $1 transfer fee that generally applies when a person transfers the registration and license plate from one vehicle to another if the license plate is:
  - A license plate honoring military service or a military award; or
  - A disabled veteran license plate.

BMV electronic and online transactions

- Authorizes the Registrar of Motor Vehicles and a deputy registrar to accept electronically:
  - Documents that are required to accompany the services and transactions that the Bureau of Motor Vehicles (BMV) conducts electronically or online; and
  - Documents approved by the Registrar for electronic or online submission and acceptance.
- Authorizes a person to apply for an initial motor vehicle registration and a transfer of motor vehicle registration through the online system established by the Registrar, similar to registration renewals under current law.
- Requires the Registrar or deputy registrar to verify and authenticate any associated documents submitted electronically with those registrations.
- Allocates the service fee and postage costs for those online and electronic submissions.

Vehicle registration by telephone

- Eliminates the requirement that the BMV accept motor vehicle registration renewal payments via telephone.

Blackout license plate

- Beginning January 1, 2026, authorizes the BMV to issue "Blackout" license plates, which have a black background with white lettering.
- Specifies that Blackout license plates will not include the phrase "Birthplace of Aviation" or display county identification stickers.
- Requires payment of a $40 Blackout license plate fee and a $10 administrative fee for the purchasing of a Blackout license plate.

Commercial motor vehicle laws

Drug and Alcohol Clearinghouse notifications

- Updates Ohio commercial motor vehicle laws to reflect federal requirements related to the Federal Motor Carrier Safety Administration's Drug and Alcohol Clearinghouse (DAC) notifications to the Registrar, as follows:
  - Prohibits a commercial driver's license temporary instruction permit (CLP) or commercial driver's license (CDL) holder from operating a commercial motor vehicle if the holder has violated certain alcohol or controlled substances prohibitions;
  - Prohibits the Registrar from issuing, renewing, or upgrading a CLP or CDL if the Registrar receives notice from DAC of that alcohol or controlled substance violation;
  - Establishes procedures for the Registrar to downgrade or reinstate, as necessary, a CLP or CDL based on notices from DAC.

Limited term commercial driver's license

- Modifies the law governing a CDL issued to a temporary resident to do all of the following:
  - Exclude the license as a form of photo identification for purposes of voting;
  - Make it consistent with the federal REAL ID Act and state law for the issuance of a standard limited term license;
  - Clarify that the expiration date is either the expiration date of the holder's authorized stay in the U.S. or four years, whichever date is earliest, or is one year if there is no expiration date of the temporary resident's authorized stay in the U.S.;
  - Authorizes the renewal of the limited term CDL within 180 days of its expiration, provided the temporary resident can verify his or her continued lawful status in the U.S.; and
  - Specifies that the renewal may not take place through the BMV's online service, but must be conducted in person at a deputy registrar agency.

Driver's license and state identification card laws

Medically restricted driver's license

- Eliminates the six-month validity period for a medically restricted driver's license and instead requires the Registrar to determine the validity period.

Ohio credential reprints

- Allows a person to obtain from the BMV up to two reprints of an Ohio credential (e.g., driver's license, CDL, identification card) between initial issuance and renewal of the credential or between renewals.
- Requires payment of a $100 administrative fee for issuance of an expedited credential, in addition to all regular fees, taxes, and mailing costs.

Expedited Ohio credential

- Beginning January 1, 2026, allows the BMV to offer an expedited process for issuing an Ohio credential.

Driver training requirements

- Extends to persons ages 18 to 21 the requirement to complete the full driver's education course and 50 hours of practice driving with an eligible adult to obtain an initial driver's license, instead of just persons under 18.
- Modifies the abbreviated driver training course for adults to apply to individuals 21 and older.
- Authorizes a beginning driver to complete the driver's education course at any point while holding a temporary instruction permit.

Request for administrative hearing

- Extends, from 10 to 15 days, the time by which a person may request an administrative hearing after a driver's license suspension order is issued by the Registrar for failure to have proof of financial responsibility (i.e., motor vehicle insurance).

Law enforcement tows

- Requires the payment of towing and storage fees for vehicles ordered towed by law enforcement in all circumstances with no exceptions.

Trailers

- Excludes trailers from the Motor Vehicle Dealers Law, except fifth wheel trailers, park trailers, travel trailers, tent-type fold-out camping trailers, or semitrailers.

Emergency management assistance compact immunity

- Applies the immunity provisions related to the Emergency Management Assistance Compact, which currently apply only to an employee of a political subdivision rendering aid in another state, to any person deployed to render aid in another state by an emergency management agency, including:
  - A full-time or part-time employee of a nonprofit organization; or
  - A paid or unpaid volunteer or health care worker of a for-profit or nonprofit organization.

Emergency service provider "retired" designation

- Requires the State Board of Emergency Medical, Fire, and Transportation Services to establish procedures by which a certificate holder maybe designated as "retired" in the Board's records.

Nuclear power plant security

- Excludes certain security personnel and contractors at a commercial nuclear power plant from the continuing law licensure requirement to engage in the business of security services.

Motor vehicle registration and title

Additional motor vehicle registration and renewal fees

(R.C. 4503.10; Section 373.40)

The bill increases the additional annual motor vehicle registration and renewal fees beginning on January 1, 2026, as follows:

1. From $11 to $16 for noncommercial vehicles; and

2. From $30 to $35 for nonapportioned commercial vehicles, which are generally intrastate commercial motor vehicles not subject to international registration plan (IRP) requirements.

Under current law, a motor vehicle owner must pay several different fees at the time of registration. The fees listed above involve one component of the overall cost of registering a motor vehicle, and are used to defray the Department of Public Safety's (DPS) costs associated with the administration and enforcement of Ohio Motor Vehicle and Traffic Laws. This increase is expressly allocated for use by the Ohio State Highway Patrol.

Disabled veterans: registration transfer fee exemption

(R.C. 4503.29 and 4503.41)

The bill exempts a disabled veteran from the $1 transfer fee that generally applies when a person transfers the registration and license plate from one vehicle to another if the license plate is either a license plate honoring military service or a military award or the "Disabled Veteran" license plate.

Under current law, a disabled veteran with a service-connected disability rated at 100% by the federal Veterans' Administration may register the veteran's personal vehicle and obtain a "Disabled Veteran" license plate. Further, the disabled veteran may register their vehicle and obtain specified license plates honoring military service or military awards. In both instances, the disabled veteran is exempt from all fees associated with vehicle registration and license plates, except the transfer fee referenced above.[133]

[133] R.C. 4503.12, not in the bill.

BMV electronic and online transactions

(R.C. 4501.027 and 4503.102)

Under current law, the Registrar of Motor Vehicles may conduct, or allow a deputy registrar to conduct, any service or transaction provided by the Bureau of Motor Vehicles (BMV) in an electronic or an online format rather than in person. Initially, BMV's online services involved motor vehicle registration renewals. In recent years, the online services have expanded to include taking the driver's knowledge tests, updating a residential or mailing address, scheduling driving skills tests, and renewing a driver's license or identification card.

The bill further expands the BMV's options for electronic and online transactions by authorizing the Registrar and deputy registrars to accept electronically both:

- The documents that are required to accompany the services and transactions that the BMV conducts electronically or online; and
- The documents approved by the Registrar for electronic or online submission and acceptance.

The expansion allows certain services and transactions that require document authentication (e.g., initial motor vehicle registration) to be conducted online or electronically.

Online initial and transfer of motor vehicle registration

Relatedly, the bill authorizes a person to apply for an initial motor vehicle registration or a transfer of a motor vehicle registration through the BMV's online system. As stated above, a person may use the online system for motor vehicle registration renewal, but under current law, initial and transfer registrations must be conducted in person at a deputy registrar agency. The initial and transfer registrations transactions typically involve additional document verifications (e.g., checks of a certificate of title or memorandum of title) that have made it necessary for the transaction to occur in person. However, with the authorization for electronic and online submission of documents, the transactions can also occur through the BMV online system.

The bill requires the Registrar or a deputy registrar to verify and authenticate the associated documents for the initial or transfer registration that are submitted electronically. An applicant who uses the online system will still need to pay the regular costs and fees, including the service fee, postage costs, and any financial transaction device surcharges (i.e., credit card fees). Accordingly, the bill allocates the $5 deputy registrar or BMV service fee to whoever verifies and authenticates the documents and allocates the postage costs to whoever mails the certificate of registration and any associated license plates to the applicant.

Vehicle registration by phone

(R.C. 4503.102)

The bill eliminates the requirement that the BMV accept motor vehicle registration renewal payments via telephone. The bill retains the requirement that motor vehicle registrations may be renewed by mail or electronic means.

Blackout license plate

(R.C. 4503.511)

The bill creates the "Blackout" license plate, which has a black background with white lettering. The plate will not include the phrase "Birthplace of Aviation" or display county identification stickers, both of which are required for standard license plates. Beginning January 1, 2026, a Blackout license plate can be purchased for a passenger car, noncommercial motor vehicle, recreational vehicle, or other vehicle of a class approved by the Registrar. The fee for the plate is $40 plus an additional $10 BMV administrative fee, both of which must be deposited into the Public Safety – Highway Purposes Fund.

Commercial motor vehicle laws

Drug and Alcohol Clearinghouse notifications

(R.C. 4506.01, 4506.05, 4506.07, and 4506.13)

The bill updates the Ohio Commercial Motor Vehicle Laws to reflect recent changes to the Federal Motor Carrier Safety Administration's Drug and Alcohol Clearinghouse (DAC) notifications that are sent to the Registrar. Specifically, effective as of November 18, 2024, states must request information from DAC about individuals applying for, renewing, or attempting to upgrade a commercial driver's license temporary instruction permit (CLP) or commercial driver's license (CDL). If in response to the request, DAC notifies the Registrar that the applicant is prohibited from operating a commercial motor vehicle because of a violation of certain alcohol or controlled substances prohibitions, the Registrar is prohibited from issuing, renewing, or upgrading that CLP or CDL.[134]

Under current federal law and under the bill, a CLP or CDL holder is prohibited from operating a commercial motor vehicle if the holder has violated the federal alcohol or controlled substance prohibitions. The prohibitions relate to using alcohol or prohibited controlled substances before reporting for work, during work, or for a specified time after a motor vehicle accident. Work encompasses both the active driving of a commercial motor vehicle or performing safety-sensitive functions (e.g., inspecting equipment, waiting to be dispatched, loading or unloading a vehicle, or repairing a vehicle).[135]

In addition to the active checks at issuance, renewal, and upgrade, if the Registrar receives a notification from DAC that a current CLP or CDL holder has violated the alcohol and controlled substances prohibitions, the Registrar must take steps to downgrade the holder's CLP or CDL within 60 days of the notice. The bill establishes those downgrade procedures.

Specifically, the Registrar must initiate downgrade procedures within ten calendar days after receiving the notice from DAC. The Registrar must notify the subject CLP or CDL holder that the holder's permit or license will be downgraded if that holder does not resolve the prohibition within 30 days. Resolution of the prohibition involves following federal procedures with a

[134] 49 C.F.R. 383.73

[135] 49 C.F.R. 382, subpart B.

Substance Abuse Professional for evaluation, referral, and education/treatment.[136] If the holder does not resolve the prohibition, the Registrar must:

- Downgrade the CLP or CDL, meaning that while the person may operate a standard motor vehicle, the person is prohibited from operating a commercial motor vehicle;
- Send a second notice to the holder informing the holder of the downgrade and that the holder must take the steps necessary to reinstate the commercial driving privileges; and
- Record the downgrade on the person's Commercial Driver's License Information System (CDLIS) driver record.

Similar to the downgrade procedures, the bill also establishes reinstatement procedures that apply when DAC informs the Registrar that a CLP or CDL holder is no longer prohibited from operating a commercial motor vehicle. Specifically:

- If the Registrar receives the notice before the holder's permit or license has been downgraded, the Registrar must terminate the downgrade process and notify the holder of the termination;
- If the Registrar receives the notice after the downgrade, the Registrar must reinstate the CLP or CDL, provided the person is otherwise eligible for reinstatement and commercial driving privileges;
- If the Registrar receives notice that the holder was erroneously identified by DAC, in addition to reinstating the permit or license, the Registrar must remove any record of the downgrade from the person's CDLIS driver record and motor vehicle driving record.

Limited term commercial driver's license

(R.C. 3501.01, 4506.14, 4507.061, and 4507.09)

The bill modifies the law governing a CDL issued to a temporary resident to make it consistent with current law governing the standard limited term license and limited term identification card issued to temporary residents. Temporary residents generally are persons who are not U.S. citizens or permanent residents but *have legal presence* to reside in the U.S. under federal immigration laws. The changes ensure that these CDLs conform to the federal REAL ID Act.[137] Consistent with that Act and current state law for the limited term license, the bill does the following:

1. Renames the "nonrenewable commercial driver's license" to a "limited term commercial driver's license";

2. Excludes the limited term CDL as a form of photo identification for purposes of voting;

[136] 49 C.F.R. 40, subpart O, as referenced in 49 C.F.R. 382.503.

[137] "Real ID Act," 49 U.S.C. 30301, *et seq*., 6 C.F.R. Part 37.

3. Clarifies that the expiration date is either the expiration date of the holder's authorized stay in the U.S. or four years, whichever date is earliest, or is one year if there is no expiration date of the temporary resident's authorized stay in the U.S.;

4. Authorizes the renewal of the limited term CDL within 180 days of its expiration, provided the temporary resident can verify his or her continued lawful status in the U.S.; and

5. Requires the renewal of the limited term CDL to be conducted in person at a deputy registrar agency, rather than through the BMV's online service.

Driver's license laws

Medically restricted driver's license

(R.C. 4507.08)

The bill eliminates the six-month validity period for a medically restricted temporary instruction permit or driver's license. Instead, it specifies that the Registrar must determine the validity period of that license. The Registrar may issue a restricted license to a person who is subject to any condition that causes episodic impairment of consciousness or loss of muscular control if that person presents a statement from a licensed physician that the person's condition is dormant or under effective medical control.

Ohio credential reprints

(R.C. 4507.40)

The bill allows a person to obtain from the BMV up to two reprints of an Ohio credential between initial issuance and renewal or between renewals. Current law limits individuals to one reprint during those time periods. Reprinted credentials are generally issued when a credential is lost, destroyed, or mutilated.

Under current law, "Ohio credential" is a temporary instruction permit identification card, driver's license, CDL, motorcycle operator's license, motorized bicycle license, or state identification card issued by the BMV.

Expedited Ohio credential

(R.C. 4507.41)

Beginning January 1, 2026, the bill allows a current holder of a valid Ohio credential to receive it via an expedited process. To receive an expedited Ohio credential, a person must pay a $100 administrative fee in addition to all regular fees, taxes, and mailing costs. The Registrar must determine the mailing costs and the manner by which an Ohio credential is mailed. The $100 fee and mailing costs must be deposited into the Public Safety – Highway Purposes Fund. The Registrar may adopt rules for purposes of implementing the expedited credential program.

Driver training requirements

(R.C. 4507.21 and 4508.02)

The bill requires all individuals under 21, instead of under 18 as under current law, to complete the full driver's education course and the 50 hours of practice driving with an eligible

adult in order to obtain an initial driver's license. The full driver's education course consists of 24 hours of classroom instruction (either in person or online) and eight hours of behind-the-wheel training with a licensed instructor. The adults eligible to oversee the practice driving include a parent, guardian, custodian, or person who is 21 or older who acts in loco parentis of the driver's license applicant. The eligible adult must sign an affidavit attesting that the 50 hours were completed, with at least ten of those hours completed at night. That affidavit is presented at the time that the applicant applies for his or her initial driver's license, along with proof of successful completion of the driver's education course.

Relatedly, the bill modifies the requirements for the abbreviated driver training course for adults to apply it to individuals 21 and older, rather than 18 and older, as under current law. The abbreviated driver training course is required if an individual above the applicable age fails the road or maneuverability test and has not completed a driver's education course in the 12 months preceding the application.

Additionally, the bill expressly authorizes a beginning driver to complete the driver education course at any point while holding a valid temporary instruction permit. These permits are valid for one year after issuance.

Request for administrative hearing

(R.C. 4509.101)

Under current law, when the Registrar imposes a driver's license suspension on a person for failure to have proof of financial responsibility, the Registrar is not required to hold a hearing on the suspension in advance of its imposition. However, a person adversely affected by the Registrar's order may request an administrative hearing regarding the suspension. The person must make the request within ten days after the order is issued. The bill extends that time to 15 days to make the timeline consistent with other instances in which a person may request an administrative hearing based on the Registrar's orders.

Law enforcement tows

(R.C. 4513.60, 4513.61, and 4513.66)

The bill requires the payment of towing and storage fees for vehicles that are towed by a law enforcement order in all circumstances and with no exceptions. Under current law, the Victim's Rights Law requires a law enforcement agency that is investigating a criminal offense or a delinquent act to do both of the following:

- Promptly return any of the victim's property that was taken during the investigation; and
- Not compel the victim to pay any charges as a condition of retrieving that property.[138]

As a result of this law, when a stolen motor vehicle is in an accident, is abandoned, or is otherwise ordered towed and removed into storage by law enforcement, the owner is not required to pay the towing and storage fees that typically must be paid as a condition of retrieval.

[138] R.C. 2930.11, not in the bill.

The same exemption applies to other motor vehicles that are a part of a crime or delinquent act and are ordered towed and into storage by law enforcement and their owner is the victim of that crime or act.

The bill expressly states that the Victim's Rights Law does not apply to the payment of fees for motor vehicles that are removed and stored by order of law enforcement. Thus, motor vehicle owners who would otherwise qualify as a victim of a crime or a delinquent act will be required to pay the towing and storage fees. If either the offender or the victim has insurance that covers the fees, that insurance company may provide that payment for retrieval. However, owners without insurance or without that form of coverage will be required to pay the towing and storage fees as a result of the bill's removal of the current law exemption.

Trailers

(R.C. 4517.01)

The bill specifically excludes the sale of trailers from the Motor Vehicle Dealers Law (MVDL). As a result, a person does not need a motor vehicle dealer's license to sell, display, or otherwise conduct business with respect to trailers. However, the bill specifies that fifth wheel trailers, park trailers, travel trailers, tent-type fold-out camping trailers, or semitrailers remain subject to the MVDL.

Current law requires most motor vehicles to be sold by licensed dealers under the MVDL. Beyond licensing requirements for dealers, the MVDL also establishes requirements for motor vehicle distributors, wholesalers, auction owners, and salespersons and requirements governing motor vehicle dealer franchise agreements.

Emergency management assistance compact immunity

(R.C. 5502.30)

The bill applies the immunity provisions related to the Emergency Management Assistance Compact, which currently apply only to employees of a political subdivision rendering aid in another state, to any person deployed to render aid in another state by an emergency management agency, including:

- A full-time or part-time employee of a nonprofit organization; or
- A paid or unpaid volunteer or health care worker of a for-profit or nonprofit organization.

In addition to the provisions above, the Emergency Management Assistance Compact, to which Ohio is a member state, includes a specific immunity provision. That provision states that officers or employees of a member state rendering aid in another state pursuant to the Compact are considered agents of the requesting state for tort liability and immunity purposes and generally are not liable for good faith actions taken when rendering aid.[139]

[139] R.C. 5502.40, not in the bill.

Emergency service provider "retired" designation

(R.C. 4765.11 and 4765.55)

The bill requires the State Board of Emergency Medical, Fire, and Transportation Services to adopt rules establishing procedures by which any of the following individuals may request the individual's employer to instruct the Board to designate the individual as "retired" in the Board's records when the individual retires:

- A first responder;
- An emergency medical technician (EMT)-basic;
- An EMT-intermediate; or
- An EMT-paramedic.

The bill also requires the Executive Director of Emergency Medical, Fire, and Transportation Services to adopt similar rules allowing a firefighter or fire safety inspector to request the individual's employer instruct the Director to designate the individual as "retired." Under continuing law, the Director must seek the advice and counsel of the Firefighter and Fire Safety Inspector Training Committee of the Board when adopting rules applicable to firefighters and fire inspectors.

The bill exempts rules adopted by the Board and Director relating to the "retired" designation from the law concerning reductions in regulatory restrictions. Currently, the Board is housed within DPS and DPS must take actions to reduce regulatory restrictions, including, by June 30, 2025, reducing the number of regulatory restrictions contained in an inventory created in 2019 in accordance with a statutory schedule. Additionally, beginning July 1, 2025, DPS cannot adopt a rule containing a regulatory restriction if doing so would cause the state to exceed the state cap on regulatory restrictions. A "regulatory restriction" is any part of an administrative rule that requires or prohibits an action.[140]

Nuclear power plant security

(R.C. 4749.01)

The bill excludes security personnel and contractors for a security organization under a federally approved physical protection program at a commercial nuclear power plant while performing duties related to protecting the plant and nuclear material from threats, thefts, and sabotage from the continuing law licensure requirement to engage in the business of security services. Under continuing law, a person generally must hold a license to engage in the business of security services, unless an exception applies.[141]

[140] R.C. 121.95 to 121.953, not in the bill.

[141] R.C. 4749.13, not in the bill.

The U.S. Nuclear Regulatory Commission approves physical protection programs at commercial nuclear power plants as a condition of licensure to operate under federal law.[142]

[142] 10 C.F.R. Part 73.

PUBLIC UTILITIES COMMISSION

Publicly available electric vehicle charging stations

Prohibition on EDU-ownership of EV charging stations

- Prohibits an electric distribution utility (EDU) from owning or operating a publicly available electric vehicle (EV) charging station except through a separate affiliate or subsidiary that is not subject to PUCO jurisdiction and except under other circumstance explained below.
- Allows PUCO to approve a program, funded by revenues from EDU rates, to promote the creation of EV charging stations by EV charging providers or the purchase of any equipment used to charge an EV by residential customers.
- Prohibits an EDU from charging its affiliate or subsidiary a subsidized rate, fee, or charge for electric service distributed to the affiliate's or subsidiary's publicly available EV charging stations.
- Requires an EDU affiliate or subsidiary that owns or operates an EV charging station to be subject to the same rates, terms, and conditions that apply to EV charging providers located in the EDU's certified territory.

EDU's ownership of an EV charging station

- Allows an EDU, notwithstanding the prohibition stated above and under certain circumstances, to petition PUCO for approval of the installation and ownership of a publicly available EV charging station solely in an area of last resort, provided that approval is contingent on certain findings.
- Provides that no EDU is obligated to deploy equipment for a publicly available EV charging station without "timely and adequate cost recovery."
- Requires an EDU, when petitioning PUCO for approval installation and ownership, to file an installation/ownership proposal with PUCO that includes certain information describing the area of last resort and the proposed publicly available EV charging station.
- Requires an EDU, concurrently with the installation/ownership proposal filing, to provide conspicuous public proposal notice on the EDU's website and to each dealer of transportation fuel within a ten-mile radius of the location of the EDU's proposed publicly available EV charging station which must contain certain specified dates.
- Requires PUCO, prior to approving an EDU's installation and ownership of a publicly available EV charging station, to conduct a right of first refusal process unless there is a publicly available EV charging station within a ten-mile radius of the EDU-proposed location.
- Allows an EDU to submit to PUCO a notice of intent to proceed with installation of a publicly available EV charging station if, within 90 days after the proposal notice is

provided, no EV charging providers are identified within ten miles of the EDU-proposed location.

- Allows an EDU, not earlier than 180 days after PUCO's approval, to proceed with the construction and operation of its proposed publicly available EV charging station unless PUCO determines that the construction and operation duplicates a publicly available EV charging station operated, or under construction, by another person.

Notice by another person to provide EV charging station

- Allows any person (except an EDU, electric cooperative, and municipal electric utility), not later than 90 days after the filing of the EV charging station installation/ownership proposal and proposal notice, to submit a notice to PUCO of intent to provide a publicly available EV charging station within a ten-mile radius of the EDU-proposed location, and that it intends to request make-ready infrastructure from the EDU.
- Requires the notice to include the person's firm commitment to place the charging station into service before the later of:
  - 18 months after the person submitted the notice; or
  - 12 months after the date installation of necessary make-ready infrastructure is completed.

Subsidizing EV charging stations

- Prohibits revenues received by an EDU for providing electric distribution service to not, directly or indirectly, subsidize investments in the ownership or operation of EV charging stations, except as part of a program approved by PUCO under the bill's provisions.

Cost recovery and EDU's use of EV charging stations

- Provides that nothing in the bill prohibits an EDU, or shall be construed to prohibit an EDU, from the following:
  - Recovering the costs of make-ready infrastructure through rates or charges authorized under the EDU's distribution rate case under current law, so long as such subsidies for those costs are offered to EV charging providers on a nondiscriminatory basis;
  - Operating, leasing, installing, or otherwise procuring service from an EV charging station on its own premises for the sole purpose of serving its own EVs.

Broadband internet access service exemption from regulation

- Exempts broadband internet access service from PUCO regulation.
- Prohibits a state agency, commission, or political subdivision from enacting, adopting, or enforcing any provision having the force or effect of law that regulates or has the effect of regulating broadband internet access service.

- Specifies that the above prohibitions do not (1) restrict any authority delegated to PUCO or any state agency to administer a state or federal grant program, or (2) restrict the application of a law relating to consumer protection and fair competition concerning broadband internet access service.
- Provides that the broadband internet access service provisions above take effect immediately.

PUCO final order

- Requires a final order issued by PUCO be affirmed by operation of law if PUCO does not affirm, abrogate, or modify the original order within 90 days of the date a rehearing request was granted.

TNC services for unaccompanied minors

- Authorizes a board of education or governing authority of a school to enter a contract with an eligible transportation network company (TNC) for the transportation of students.
- Authorizes a parent, guardian, resource caregiver, or person over 21 acting in loco parentis of a minor to request an eligible TNC to provide transportation for a minor child unaccompanied by that parent, guardian, resource caregiver, or person.
- Establishes parameters for company qualifications, driver qualifications, vehicle qualifications and inspections, and active GPS-monitoring for the transportation of minors described above.

Publicly available electric vehicle charging stations

(R.C. 4933.51, 4933.53, 4933.54, 4933.55, 4933.57, and 4933.59)

The bill creates a regulatory scheme, overseen by PUCO, governing the installation, operation, ownership, and certain cost recovery regarding publicly available electric vehicle (EV) charging stations by electric distribution utilities (EDUs), their affiliates or subsidiaries, and nonelectric utility entities.

Prohibition on EDU-ownership of EV charging stations

The bill prohibits an EDU from owning or operating a publicly available EV charging station except through a separate affiliate or subsidiary that is not subject to PUCO jurisdiction and except as discussed below (see, "**EV charging station ownership by an EDU**" below). The bill further provides it does not prohibit PUCO from approving a program, funded by revenues from EDU rates, to promote the creation of EV charging stations by EV charging providers (defined as owners and operators of an EV charging station, excluding EDUs and their affiliates and subsidiaries that own or operate a station) or the purchase of any equipment used to charge an EV by residential customers.

An "EV" is defined as a vehicle that is powered wholly by a system that can be recharged via an external source of electricity, including a vehicle for public or private use that is a passenger

car, commercial car or truck, or a vehicle used in public transit, a vehicle used in a fleet, construction work, and industrial or warehouse work. An "EV charging station" is any nonresidential EV charging system that is: (1) capable of distributing electricity from a source outside an EV to the EV, and (2) a "direct current fast charging system" (an EV charging system capable of distributing 50 kilowatts or more of direct current to an EV's rechargeable battery at 200 volts or more) or a "level two charging station" (any EV charging system capable of distributing between three and 20 kilowatts of alternating current to an EV's rechargeable battery at 200 volts or more).

Subsidization prohibited

The bill prohibits EDUs from charging its affiliate or subsidiary a subsidized rate, fee, or charge for electric service distributed to the affiliate's or subsidiary's publicly available EV charging stations. Additionally, an EDU affiliate or subsidiary that owns or operates an EV charging station must be subject to the same rates, terms, and conditions that apply to EV charging providers located in the EDU's certified territory.

EV charging station ownership by an EDU

Installation/ownership petition for area of last resort

The bill allows an EDU, five or more years after the bill's effective date, to petition PUC for approval of the installation and ownership of a publicly available EV charging station in an area of last resort, but only if it can demonstrate that there is not at least one publicly available EV charging station in the area of last resort. PUCO may approve, modify and approve, or reject an EDU's installation and ownership of such a charging station in an area of last resort, provided that any approval must include a finding that there is no other publicly available EV charging stations in the area of last resort or another person has not provided PUCO with notice that they intend to construct a publicly available EV charging station in the area (see "**Notice by another person to provide EV charging station**" below).

"Area of last resort" is defined as an area within an EDU's designated service territory that is located in an Ohio county with a population of not more than 50,000, but excluding any areas of the county that are within a ten-mile radius of another publicly available EV charging station or any areas of the county that are within one mile of an "alternative fuel corridor" designated by the Federal Highway Administration.[143]

Cost recovery

The bill provides that no EDU is under an obligation to deploy equipment for a publicly available EV charging station without "timely and adequate cost recovery."

[143] For information about alternative fuel corridors, see the FHA's webpage regarding national alternative fuels corridors, which is available on the FHA's website: afdc.energy.gov/laws.

Installation/ownership proposal

The bill requires an EDU that filed a petition for approval for the installation and ownership of a publicly available EV charging station, as described above, to also file a proposal with PUCO that includes:

- A description of the area of last resort;
- A statement certifying that there is not at least one publicly available EV charging station in the area of last resort;
- A description of the publicly available EV charging station it proposes to construct at the location.

Notice of the proposal

The bill further requires an EDU, concurrently with filing the proposal, to provide conspicuous public notice on the EDU's website and to each dealer of transportation fuel within a ten-mile radius of the location of the EDU's proposed publicly available EV charging station. The notice must contain:

- The date the EDU filed a proposal with PUCO to provide a publicly available EV charging station;
- The date by which a person may file a proposal to provide a publicly available EV charging station within a ten-mile radius of the proposed location (see "**Notice by another person to provide EV charging station**" below).

Right of first refusal

The bill requires PUCO, prior to approving an EDU's installation and ownership of a publicly available EV charging station, to conduct a right of first refusal process. The bill, however, prohibits PUCO from conducting a right of first refusal process if there is a publicly available EV charging station within a ten-mile radius of the site from where the EDU proposes to locate such a charging station.

Notice of intent to proceed with installation

The bill allows an EDU to submit to PUCO a notice of intent to proceed with installation of a publicly available EV charging station if, within 90 days after the EDU provides the notice of the proposal, no EV charging providers are identified within ten miles of the location proposed by the EDU (see "**Installation/ownership proposal**" and "**Notice of the proposal**" above).

Construction and operation

The bill allows an EDU, not earlier than 180 days after PUCO's finding of public interest and approval of the proposal and installation, to proceed with the construction and operation of its proposed publicly available EV charging station. The bill, however, prohibits construction if PUCO determines that the construction and operation unreasonably duplicates a publicly available EV charging station operated, or under construction, by another person.

Notice by another person to provide EV charging station

The bill, not later than 90 days after the filing of the installation/ownership proposal and notice of the proposal, allows any person (except an EDU, electric cooperative, or a municipal electric utility) to submit a notice to PUCO stating that it intends to provide a publicly available EV charging station within a ten-mile radius of the location proposed by an EDU and intends to request the necessary make-ready infrastructure from the EDU. This notice must include the person's firm commitment to place the publicly available EV charging station into service before the later of the following dates:

- 18 months after the dates the person submits the notice to PUCO;
- 12 months after the date of completion of the installation of the necessary make-ready infrastructure.

The bill defines "make-ready infrastructure" as electrical infrastructure required to accommodate the electric load of an EV charging station, excluding an EV charging station.

Subsidizing EV charging stations

The bill prohibits an EDU from using revenues received for providing electric distribution service to, directly or indirectly, subsidize investments in the ownership or operation of EV charging stations, except as part of a PUCO-approved program consistent with the bill's provisions.

Cost recovery for make-ready infrastructure

The bill explicitly provides that none of the bill's provisions prohibit an EDU from recovering the costs of make-ready infrastructure through rates or charges authorized under the EDU's distribution rate case under continuing law, but only if such subsidies for the make-ready infrastructure are offered to EV charging providers on a nondiscriminatory basis.

EDU's use of EV charging stations

The bill states that none of the bill's provisions should be construed to prohibit an EDU from operating, leasing, installing, or otherwise procuring service from an EV charging station on its own premises for the sole purpose of serving its own EVs.

Broadband internet access service exemption from regulation

(R.C. 4927.01 and 4927.22; Section 820.20)

The bill exempts broadband internet access service, as defined in federal law, from regulation by PUCO. Further, an Ohio agency, commission, or political subdivision is prohibited from enacting, adopting, or enforcing, either directly or indirectly, any law, rule, regulation, ordinance, standard, order, or other provision having the force or effect of law that regulates, or has the effect of regulating, the entry, rates, terms, or conditions of any broadband internet access service, or otherwise treats providers of broadband internet access services as public utilities or telecommunications carriers.

However, the bill specifies that the above prohibitions are not to be construed to restrict either of the following: (1) any authority deflated to PUCO or any state agency to administer a

state or federal grant program under state or federal statute, rule, or order, and (2) the application to broadband internet access service, or providers thereof, of any law that applies generally to the conduct of business in Ohio relating to consumer protection and fair competition.

The bill provides that the provisions described above take effect immediately.

Currently, federal law defines "broadband internet access service" as a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up internet access service, and also encompasses any service that the Federal Communications Commission finds to be providing a functional equivalent of this service or that is used to evade the protections set forth in federal law.[144]

PUCO final order

(R.C. 4903.10)

The bill requires a final order issued by PUCO be affirmed by operation of law if PUCO does not affirm, abrogate, or modify the original order within 90 days of the date a rehearing request was granted.

Under law unchanged by the bill, after PUCO makes an order, any party who has entered an appearance in the proceeding may apply for a rehearing regarding any matter determined in the proceeding. If PUCO, after the rehearing, determines the original order or any part of it is unjust or unwarranted, or should be changed, PUCO may abrogate or modify it; otherwise it must be affirmed.

TNC services for unaccompanied minors

(R.C. 4925.11, 4925.12, and 4925.13)

The bill authorizes the transportation of unaccompanied minor riders through an eligible transportation network company (TNC) to and from school, school-related activities, school-sanctioned activities, or other pre-established locations, under certain circumstances. Namely, the bill allows:

- A board of education or governing authority of a school to enter a contract with an eligible TNC for regular authorized transportation of students; and
- A parent, legal guardian, resource caregiver, or another individual 21 or older who acts in loco parentis of the minor ("authorized adult") to request authorized transportation from an eligible TNC for a minor under that adult's care when the adult will not be accompanying the rider.

[144] 47 C.F.R. 8.1.

Current law does not specify a minimum age for a "transportation network company rider," the individual who uses a TNC digital network to connect with a TNC driver to obtain a ride to an agreed-upon location. However, the ride agreement is a type of contract, which typically requires a person to be 18 or older to enter. In practice, this is reflected in the terms of service for most TNCs. Currently, certain TNCs authorize teenagers to ride unaccompanied with parental consent, others have strict policies that minors must always be accompanied by an adult, and others are beginning to specialize in transportation of minors.[145]

Eligibility standards

The bill establishes parameters that create higher minimum standards for a TNC driver and company for the transportation of unaccompanied minor riders. Specifically, the driver must:

1. Meet all the minimum TNC driver requirements (e.g. valid license and registration, clean driving record, clean background checks, etc.);

2. Be 21 or older;

3. Have two or more years of driving experience;

4. Have no records of operating a vehicle under the influence (OVI) from within the prior ten years;

5. Have less than six points on the driver's license;

6. Successfully complete additional background checks;

7. Successfully complete a pre-service training course related to the transportation of children (see below); and

8. Maintain the higher levels of automobile insurance required for TNC drivers either through the driver's personal insurance, through the company, or under the contract with a school, as applicable.

Any TNC that will authorize TNC drivers to transport unaccompanied minor riders must also do all the following:

1. Comply with all the PUCO rules and regulations for TNCs;

2. Obtain and review the motor vehicle driving records of the eligible TNC drivers at least every six months and maintain those records for at least six years;

3. Maintain the required levels of automobile insurance policies required for TNCs, and if under contract with a board of education or governing authority of a school, name that board or authority as a covered entity in the policy; and

4. Authorize only eligible TNC drivers to provide authorized transportation to unaccompanied minor riders.

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[145] See uber.com/us/en/ride/teens (Uber's teen accounts); help.lyft.com (Lyft's safety policies); and hopskipdrive.com (HopSkipDrive's company page), as examples of different models.

Pre-service training course

An eligible TNC must provide or approve a pre-service training course for its TNC drivers to be completed in one or multiple sessions. The course is modeled on many of the same topics taught to bus drivers prior to transporting students. The course must include training on all the following:

- Public and staff relations and conflict resolution;
- Transporting preschool and special needs children;
- Equipment and care, including operation of any necessary adaptive equipment;
- Defensive driving;
- Student management, including bullying behaviors;
- Safety and emergency procedures;
- Motor vehicle laws and student transportation operation and safety rules;
- Signs, signals, and pavement markings;
- Fuel conservation; and
- Safe radio and wireless communications device (e.g., cellphone) use while operating a vehicle.

The TNC may waive one or more of the above topics as part of the course if the TNC driver being trained clearly demonstrates sufficient knowledge of the topic in advance of the course.

Ride requirements

When actively transporting an unaccompanied minor rider, a TNC driver must do all the following:

- Operate a vehicle originally designed and manufactured for nine passengers or less, not including the driver;
- Only transport up to the maximum number of passengers allowed for the vehicle based on the manufacturer's stated capacity passenger rating;
- Load and unload passengers in a safe location that is not on the roadway;
- Comply with and ensure all passengers comply with the seatbelt and child car seat/booster seat laws;
- Perform daily pre-trip safety inspections; and
- Use a global positioning system device (GPS) provided by the TNC to allow for real-time monitoring of the ride from start to finish for the company, the authorized adult, and the school.

The pre-trip safety inspection reports must be completed, documented, signed, and sent to the TNC. The TNC then must retain those reports for at least three months. If the inspection

identifies any defects or deficiencies, the TNC driver cannot use that vehicle for transporting unaccompanied minor riders until it has been inspected by a mechanic or other reliable source for vehicle repair and maintenance and the mechanic or other person either repairs the defect/deficiency or certifies that a repair is unnecessary.

PUBLIC WORKS COMMISSION

- Allows a district public works integrating committee to determine how much of its allocation is awarded to political subdivisions in loans and local debt support, rather than setting a defined amount at not more than 10% of the allocation as in current law.
- Updates the type of local debt support available under the State Capital Improvement Program by removing the certain forms of assistance, including a pledge of support for any local bond issue.

State Capital Improvement Program

(R.C. 164.05, 164.06, 164.08, and 164.14)

Current law divides the state into districts for the purpose of allocating funds made available to finance public infrastructure capital improvement projects of local subdivisions under the State Capital Improvement Program (SCIP). Each district is governed by a public works integrating committee. The bill makes two changes to the manner and types of support available to committees to award.

First, the bill allows a district committee to determine how much of its allocation is awarded to political subdivisions in loans and local debt support, rather than setting a cap of 10% as provided in current law.

The bill also updates the type of local debt support available under SCIP by removing the following forms of assistance:

1. A pledge of support for any local bond issue;

2. The payment of all or a part of the premium for bond insurance obtained from a private insurer; and

3. A source of revenue pledged in support of revenue bonds issued by a subdivision.

DEPARTMENT OF REHABILITATION AND CORRECTION

Illegal conveyance of weapon, drugs of abuse, or communications device

- Requires the court to impose a mandatory prison term if a Department of Youth Services (DYS) employee illegally conveys a weapon onto a detention facility.
- Requires the court to impose a mandatory prison term if a contractor or employee of a contractor providing services to the Department of Rehabilitation and Correction (DRC) or DYS illegally conveys a weapon or drugs of abuse onto a detention facility.
- Increases the penalty for illegal conveyance of a communications device onto the grounds of a specified governmental facility.
- Specifies that the penalty for illegal conveyance of a communications device onto the grounds of a specified governmental facility is a felony with the imposition of a mandatory prison term, if the offender is an employee of DRC or DYS or a contractor or employee of a contractor providing services to DRC or DYS.

Electronic commitment to DRC

- Permits a court of common pleas to enter into an agreement with DRC under which persons may be electronically committed to DRC.
- Specifies that persons sentenced to DRC, or to any institution or place within DRC, must be conveyed by the sheriff initially to an appropriate facility established and maintained by DRC, or committed electronically for reception, examination, observation, and classification.
- Requires the sheriff to convey the sentenced person to DRC or electronically commit the sentenced person to DRC prior to removal of an individual on an out of jurisdiction detainer.
- Requires an offender to be committed to DRC before post-release control may be imposed.

Frederick Douglass Project for Justice

- Requires DRC to permit the Frederick Douglass Project for Justice to operate in all prisons.

Food service at Ross Correctional

- Requires DRC to create a pilot program in the Ross Correctional Institution to require the institution to utilize state employees to oversee meals and food service, to the extent that the pilot program does not conflict with existing contracts.

Mandatory drug screens at correctional facilities

- Requires every officer, employee, contractor, or employee of a contractor who is entering the grounds of a state correctional institution be subject to screening to prevent the conveyance of drugs of abuse into the institution.

Reentry housing near schools

- Prohibits DRC's Division of Parole and Community Services from licensing a halfway house, reentry center, or community residential center that operates within 500 feet of a school or child care center.

Health care coverage for a deceased correction officer's spouse

- Requires the DAS Director, on receiving notice from the DRC Director that a correction officer was killed in the line of duty, to enroll the deceased officer's surviving spouse in any health benefits offered to state employees.
- Requires DRC to pay DAS for the full cost of a surviving spouse's health benefits, including any administrative costs.
- Requires a surviving spouse to apply to DAS for health care coverage after being approved for death benefits from the Ohio Public Safety Officers Death Benefit Fund.
- Makes a surviving spouse who is a state employee ineligible for health benefits under the bill and specifies that receiving a health benefit does not make the surviving spouse a state employee.

Local jail funding

- Reestablishes DPF Fund 5ZQ0 ALI 501505, Local Jail Grants, with an appropriation of $75 million in FY 2026, and requires those funds to be used by DRC to provide grants for county jail construction and renovation projects.
- Requires DRC to accept and review applications and designate the projects involving the construction and renovation of county jails according to the continuing guidelines originally established in H.B. 33 of the 135th General Assembly, and allows the DRC to establish guidelines for multicounty project applications.

Illegal conveyance of weapon, drugs of abuse, or communications device

(R.C. 2921.36)

The bill requires the court to impose a mandatory prison term if a DYS employee or a contractor or employee of a contractor providing services to DRC or DYS is guilty of illegal conveyance of a weapon or illegal conveyance of drugs of abuse onto the grounds of a detention facility. Under the bill, the penalty for illegal conveyance of a communications device onto the grounds of a specified governmental facility is increased from a first degree misdemeanor to a

fifth degree felony, and the penalty for a repeat violation from a fifth degree felony to a third degree felony. The bill also specifies that the penalty for illegal conveyance of a communications device onto the grounds of a specified governmental facility is a third degree felony if the offender is an employee of DRC or DYS or a contractor or employee of a contractor providing services to DRC or DYS and requires the court to impose a mandatory prison term.

Electronic commitment to DRC

(R.C. 2151.311, 2152.26, 2967.28, and 5120.16)

The bill specifies that persons sentenced to DRC, or to any institution or place within DRC, must be conveyed by the sheriff initially to an appropriate facility established and maintained by DRC, or committed electronically, for reception, examination, observation, and classification. Prior to removal of an individual on an out of jurisdiction detainer, the sheriff must convey the sentenced person to DRC or electronically commit the sentenced person to DRC. A court of common pleas is permitted to enter into an agreement with DRC under which persons may be electronically committed to DRC, and an offender must be committed to DRC before post-release control may be imposed.

The problem that this provision is intended to address is not clear. It may be that the intent of this provision is to address situations in which a person who would normally be incarcerated in a prison has instead served the time sentenced in a local jail, and has therefore not formally been committed to DRC prior to the necessity for post-release control procedures. It is unclear that the language in this provision accomplishes that goal. A clarifying amendment may be desired.

Frederick Douglass Project for Justice

(R.C. 5120.039)

DRC is required to permit the Frederick Douglass Project for Justice to register with DRC under the reentry services by nonprofit faith-based organizations framework to enter institutions under the control of DRC for the purpose of facilitating structured meetings between incarcerated people and nonincarcerated people.

Food service at Ross Correctional

(Section 751.50)

The bill requires DRC to create a pilot program in the Ross Correctional Institution to require the institution to utilize state employees to oversee meals and food service, to the extent that the pilot program does not conflict with existing contracts.

Mandatory drug screens at correctional facilities

(R.C. 5145.32)

The bill requires every officer, employee, contractor, or employee of a contractor entering the grounds of a state correctional institution be subject to a screening to prevent the conveyance of drugs of abuse into the institution. Any controlled substance, harmful intoxicant, or dangerous drug is considered a "drug of abuse" under continuing law.

Reentry housing near schools

(R.C. 2967.14 with conforming changes in R.C. 2967.26, 2967.271, and 5120.035)

The bill prohibits DRC's Division of Parole and Community Services from licensing a halfway house, reentry center, or community residential center if that halfway house, reentry center, or community residential center operates within 500 feet of a school or a child care center. A facility of this type must be licensed in order to house an offender or parolee for the period of the offender's or parolee's conditional release or post-release control.

For purposes of this provision, a "child care center" has the same meaning as under the Child Day-Care Licensing Law (R.C. Chapter 5104.) and a "school" has the same meaning as in the Drug Offenses Law (R.C. Chapter 2925.), principally any school operated by a board of education, any community school established under continuing law, or any nonpublic school for which the Director of Education and Workforce prescribes minimum standards under continuing law.

Health care coverage for a deceased correction officer's spouse

(R.C. 5120.85)

The bill requires the DAS Director, after being notified by the DRC Director that a correction officer was killed in the line of duty, to enroll the deceased officer's surviving spouse in any medical, dental, or vision benefit (a "health benefit") that DAS contracts for or otherwise provides to state employees.[146] The bill specifies that a surviving spouse receiving health benefits is not a state employee. Additionally, a surviving spouse cannot receive health benefits under the bill if the spouse is eligible to receive them as a state employee or enroll in the federal Medicare program.

Under the bill, DRC must pay DAS the full cost of the surviving spouse's health benefits, including administrative costs. The bill requires a surviving spouse to apply to the DAS Director for health care coverage after the spouse's application for death benefits from the Ohio Public Safety Officers Death Benefit Fund is approved by the Ohio Police and Fire Pension Fund Board of Trustees. The fund pays benefits to the surviving spouse, children, or, in limited cases, surviving parent, of a law enforcement officer (including a correction officer) or firefighter killed in the line of duty. Under continuing law, a spouse or child receiving benefits from the fund may elect to participate in any health benefit that DAS offers to state employees. To pay for benefits, the Board withholds the spouse's cost (an amount equal to the percentage of the cost that would be paid by a state employee for the benefits) from the spouse's death benefit payments and forwards it to DAS and pays DAS the remaining cost of the benefits and any administrative costs.[147]

[146] By reference to R.C. 124.82 and 742.63, not in the bill.

[147] By reference to R.C. 124.824 and 742.63, not in the bill.

Local jail funding

(Sections 383.10 and 383.30)

The bill reestablishes DPF Fund 5ZQ0 ALI 501505, Local Jail Grants, which was originally established in H.B. 33 of the 135th General Assembly, with an appropriation of $75 million in FY 2026, and requires those funds to be used by DRC to provide grants for county jail construction and renovation projects. These funds are the same that were appropriated under H.B. 33 – the projects are not complete, and as the H.B. 33 provisions expire in July, these funds are being "re-appropriated" in order to allow the projects to be completed.

DRC must accept and review applications and designate the projects involving the construction and renovation of county jails according to the continuing guidelines outlined below originally established in H.B. 33, except that it also allows DRC to establish guidelines for multicounty project applications.

Funding formula

DRC must choose which projects to fund using a funding formula that ranks counties based on sales tax and property tax revenue. TAX conducts the ranking. The ranking formula is as follows:

- First, TAX takes the total value of all property in the county listed and assessed for taxation on the tax list in the preceding tax year, and lists each county in order of total value, ascending, so that the county with the lowest value is number one on the list – its property tax ranking.
- Second, TAX ranks each county based on the estimate of the gross amount of taxable retail sales sourced to the county as reported by TAX for the preceding fiscal year, computed by dividing the total amount of tax revenue received by the county during that period from sales taxes and use taxes by the aggregate sales tax rate currently levied by the county. TAX lists each county in order of total value, ascending, so that the county with the lowest value is number one on the list – its sales tax ranking. Any county that does not currently levy sales taxes is automatically ranked at number 88 on the list.
- Then, for each county, TAX adds the numbered rank for property values to the numbered rank for sales tax, and orders the counties according to the sum of the two ranks, the county with the lowest sum being number one on the list. The percentile ranking is determined by taking the county's ranking on this final list, dividing it by 88, and multiplying it by 100. This percentile ranking not only is used to help determine which counties to invite to apply for assistance, but also is used to determine the county's basic share of the project cost.

For this final ranking, if two or more counties are tied, the county with the lowest population receives the lowest final ranking. The final ranking for the counties should be numbers 1 through 88.

Application process and needs assessment

Upon receiving the final rankings, DRC must select a number of the lowest ranking counties and invite the selected counties to apply for assistance. Two or more counties may apply jointly as long as at least one was invited to apply.

DRC must adopt guidelines to accept and review applications and designate projects, including guidelines requiring counties to justify the need for the project, and guidelines for multicounty project applications.

Upon a county's application, DRC must conduct a needs assessment for that county, to determine the following:

- The county's need for additional jail facilities, or for renovations or improvements to existing jail facilities, based on whether and to what extent existing facilities comply with safety and construction standards, including the age and condition of the facilities;
- The number of jail facilities to be included in a project;
- The estimated annual, monthly, or daily cost of operating the facility once it is operational, as reported and certified by the county auditor;
- The estimated basic project cost of constructing, acquiring, reconstructing, or making additions to each facility; and
- Whether the county has recently received a grant from the state to construct or renovate jail facilities.

Following the needs assessment, DRC may approve constructing, acquiring, reconstructing, or making additions to a jail facility only upon evidence that the proposed project conforms to existing construction and renovation standards, and that it keeps with the needs of the county or counties as determined by the needs assessment. Exceptions are authorized only in those areas where topography, sparsity of population, and other factors make larger jail facilities impracticable.

The funds must be awarded by July 1, 2027.

Basic project cost

The county's portion of the basic project cost is equal to 1% of the basic project cost times the percentile in which the county ranks according to the county's percentile ranking. The state's portion is the remainder, except that the state's portion is always at least 25%. If the county's portion is calculated to exceed 75%, the county's portion must be 75%. For multicounty jail facilities, if the sum of two or more counties' portions of the total basic project cost are calculated to exceed 75% of the total basic project cost, the counties' portions are determined pro rata, so that the sum of the portions is 75%.

RETIREMENT SYSTEMS

- Transfers the administration of the Ohio Public Employees Deferred Compensation Program from the Ohio Public Employees Deferred Compensation Board (DC Board) to the PERS Board, and abolishes the DC Board.
- Excludes from PERS membership a person whose only service as a public employee is, and who receives any compensation for service during a calendar year as, a precinct election official (election worker), rather than excluding a person who is paid less than a specified amount as under current law.
- Permits, beginning one year after the provision's effective date, a public college or university to allow an academic or administrative employee who elects to participate in an alternative retirement plan to sign the election or a form to change providers by electronic signature.

Ohio Public Employees Deferred Compensation Program

(R.C. 145.091, 148.02, and 148.021, with conforming changes in R.C. 101.82, 101.83, 145.09, 148.01, 148.04, 148.041, 148.042, 148.05, 148.10, 2329.66, 2907.15, 2921.41, 3105.171, and 3105.63; Section 525.40)

The bill transfers the administration of the Ohio Public Employees Deferred Compensation Program from the Ohio Public Employees Deferred Compensation Board (DC Board) to the PERS Board. The program is a voluntary retirement savings plan that allows public employees to save and invest their payroll contributions to supplement a retirement plan.[148] Currently, the DC Board consists of a member of the House, a member of the Senate, and the PERS Board members. The bill authorizes the PERS Board to use its employees, property, and powers granted to it under continuing law to administer the program. All employees of the DC Board are transferred to PERS and retain their positions and all associated benefits.

The bill abolishes the DC Board on the transfer provision's effective date. Under the bill, whenever the DC Board, its Executive Director, or any variation of those terms are used, referred to, or designated in any statute, rule, contract, grant, or other document, the use, reference, or designation is deemed to refer to the PERS Board or the PERS Executive Director. All records, assets, and liabilities of the DC Board are transferred to the PERS Board. The PERS Board is successor to, and assumes the obligations of, the DC Board. The PERS Board or the PERS Executive Director must complete any business commenced, but not completed by, the DC Board or its Executive Director. The business must be completed in the same manner, and with the same effect, as if completed by the DC Board or its Executive Director. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired because of the transfer.

[148] See Frequently Asked Questions, which may be accessed by selecting the "FAQ" link on the Ohio Public Employees Deferred Compensation Program's website: ohio457.org.

The transfer does not affect any action or proceeding pending on the transfer provision's effective date. Any action or proceeding must be prosecuted or defended in the name of the PERS Board or the PERS Executive Director. In all actions or proceedings, the PERS Board or the PERS Executive Director, on application to the court, must be substituted as a party.

The bill specifies that the Ohio Public Employees Deferred Compensation Receiving Account is a legal entity that is separate from the various funds created under continuing law to pay for retirement and other benefits under PERS.

Precinct election officials excluded from PERS

(R.C. 145.012)

The bill excludes a person from PERS membership if the person's only service as a public employee during a calendar year is as a precinct election official (election worker) and the person received compensation for that service during the calendar year.[149] Under current law, a person is not a PERS member if the person is employed as an election worker and paid less than $600 during a calendar year, or less than $1,000 during a calendar year in which more than one primary election and one general election are held.

Alternative retirement plan election or provider change

(R.C. 3305.05 and 3305.053; Section 820.100)

The bill permits, beginning one year after the provision's effective date, a public college or university to allow an employee who elects to participate in an alternative retirement plan (ARP) to sign the election or a form to change investment option providers by electronic signature. Under continuing law, a full-time employee of a public college or university may elect to participate in an ARP, rather than the state retirement system that would otherwise cover the employee, by submitting a written election to the designated officer of the college or university. An ARP is a defined contribution plan that provides retirement and death benefits to participants through investment options. A college or university enters into an agreement with one or more private providers to administer investment options under an ARP.[150]

[149] By reference to R.C. 3501.22 and 3501.28, not in the bill.

[150] R.C. 3305.02 and 3305.04, not in the bill.

DEPARTMENT OF TAXATION

Income tax

- Increases the maximum educator expenses income tax deduction from $250 to $300.
- Authorizes a personal income tax deduction of up to $750 per year for contributions to a qualifying pregnancy resource center.
- Repeals the personal income tax credit for tuition paid to a nonchartered nonpublic school.
- Expands the homeschool expense income tax credit by changing the maximum amount of educational expenses the credit can cover, from $250 per return to $250 per student.
- Reduces the income tax withholding rate on lottery, video lottery, sports gaming, and casino winnings from 4% to 3.5%.
- Authorizes a formal mechanism for private retirement plans to withhold income taxes from a retiree's benefits, similar to existing rules for withholding taxes from state retirement benefits.
- Authorizes all retirement plans to withhold school district income taxes.
- Clarifies that income used as the basis for computing the resident and nonresident tax credits is income calculated after taking the business income deduction, conforming with current administrative practice.
- Establishes a formal income tax withholding "bulk file" program, whereby payroll service companies can file employee income tax withholding returns in bulk on behalf of their employer clients.
- Allows pass-through entities (PTEs) that pay an elective tax to allow their investors to circumvent the federal cap on state and local tax (SALT) deductions to claim certain refundable credits available to those investors when calculating the elective tax due.
- Changes the calculation of tax credits allowed to investors in PTEs that pay the elective PTE tax or a composite income tax for all PTE investors from the investors' proportionate share of the tax paid to the lesser of the tax paid or due.
- Establishes that administrative provisions related to Ohio's electing PTE tax apply to pass-through entities with investors comprised exclusively of Ohio residents.
- Moves the due date for payment of the second and third estimated tax payments for electing and withholding PTE taxes up by one month.

School district income tax

- Repeals the school district income tax on estates, beginning in 2026.

- Requires boards of education that approve a resolution to place the question of levying a school district income tax on the ballot to send a copy of the resolution to TAX after it has been certified to the county board of elections.
- Requires boards of elections to send a copy of a petition for an election to repeal a school district income tax to TAX after the board determines the petition is valid.

Municipal income tax

- Clarifies that pay to members of the U.S. Space Force may be deducted from municipal income tax as part of an existing deduction for military pay.
- Makes discretionary a penalty, mandatory under current law, charged by TAX for late estimated payments of centrally administered municipal net profit tax.
- Extends, from six to seven months, the municipal net profits tax return extension filing period for taxpayers that do not request a federal income tax extension.
- Allows a taxpayer who received a valid extension of the tax return due date to file a municipal income tax refund claim within three years after that extended due date.

Electric and telephone company municipal income tax

- Requires electric and telephone utility companies to make municipal income tax payments and estimated payments electronically.
- Makes discretionary the current mandatory interest penalty charged for estimated tax underpayments.
- Modifies the discretionary penalty that may be imposed on late estimated payments.
- Requires TAX to automatically grant a filing extension to a company if it has received a federal filing extension and expands the length of the municipal tax extension from six to seven months.
- Requires TAX to grant a seven-month filing date extension in the absence of a federal extension if the company submits a request before the return due date.
- Removes the requirement for a company to include certain information in its annual return to TAX.
- Repeals the requirement for TAX to notify a company that its income apportioned to a municipality will be adjusted in certain circumstances.
- Removes the authority of a notified municipal corporation to challenge the redetermination.

Sales and use tax

- Requires a clerk of court to remit sales and use tax from the sale of titled watercraft and outboard motors to the Registrar of Motor Vehicles instead of to TAX.

- Requires TAX to consult with DPS on the form of the remittance reports that must accompany the taxes collected.
- Eliminates interest on sales and use tax refunds for payments made pursuant to a direct payment permit, through which a purchaser pays the tax directly to the state instead of to the vendor making the sale.
- Disallows interest on county sales tax refunds.
- Allows TAX to cancel a sales tax vendor's license obtained while another of the vendor's licenses is suspended.

Lodging taxes

- Authorizes the Fairfield County commissioners to renew a special lodging tax, currently scheduled to expire in 2028, for up to 15 additional years at a time.

Commercial activity tax

- Eliminates two dedicated CAT funds used to make tangible personal property reimbursement payments to local governments, and instead requires that those payments be made directly from the GRF.

Petroleum activity tax

- Explicitly allows TAX to issue an assessment to collect unpaid petroleum activity tax licensing fees.

Cigarette, tobacco, and nicotine taxes

- Expands authority to levy a county cigarette tax for the benefit of an arts and cultural district from only Cuyahoga County to also include Summit County.

Marijuana excise tax

- Levies a 10% excise tax on the illegal sale of marijuana by an unlicensed seller.
- Reallocates a portion of the revenue, including from the existing 10% excise tax on legal sales, to temporarily fund certain dispensary host communities, with all remaining revenue credited to the GRF.
- Requires TAX, upon the request of COM, to share pertinent information about the tax violations of an existing adult use cannabis licensee.

Public utility excise tax

- Applies taxpayer refunds owed for certain public utility excise taxes first to any outstanding state tax debt and any related penalty or interest.

Financial institution tax

- Removes the requirement that TAX post financial institution tax annual report forms on its website.

Insurance premium tax

- Transfers the responsibility of certifying unpaid foreign insurance company premium taxes to the Attorney General for collection from INS to the Treasurer of State.

Severance tax

- Reduces the severance tax rate on coal from 10¢ to 8¢ per ton.

Replacement tire fee

- Eliminates, beginning in 2026, the 4% discount for wholesale distributors of replacement tires or retail dealers who timely file and pay the replacement tire fee administered by TAX.

Corporation franchise tax

- Removes the requirement that a corporation identify its statutory agent in an annual report filed under the now-defunct corporation franchise tax.

Tax credits

- Permanently increases the annual cap on the Ohio historic building preservation tax credit, from $60 million to $90 million per fiscal year.
- Increases the percentage of rehabilitation costs certificate owners may claim as credits from 25% to 35% for projects located outside of the state's three largest cities.
- Prohibits DEV from using building vacancy or underutilization as part of the criteria for awarding historic rehabilitation tax credits.
- Repeals the film and Broadway theater capital improvement tax credit.
- Increases the annual film and Broadway theater production tax credit limit from $50 million to $75 million per fiscal year.
- Replaces the current two-round application and award process for the film and theater tax credits with a rolling process, eliminating much of the current ranking criteria.
- Removes the sunset date for the transformational mixed-use development (TMUD) tax credit program.
- Modifies reporting requirements for recipients of state-funded low-income housing tax credits and single-family housing development tax credits.

Tax administration

- Grants TAX the general authority to abate penalties charged to taxpayers.
- Allows TAX to not impose, or to refund or forgive, penalties and interest charged for failure to pay sufficient estimated state, school district, or certain pass-through entity income taxes.

- Extends the time for state recovery of amounts of refunded taxes from local subdivisions from three to six years.
- Authorizes TAX, without violating the prohibition against divulging personal tax information, to disclose either of the following:
  - The amount of revenue distributed to local governments from any tax or fund administered by TAX.
  - Employer income tax withholding account numbers to permit a current or former employee to prepare the employee's tax return.
- Authorizes TAX to require electronic tax filing and payment without first adopting a rule on the subject.
- Requires taxpayers to provide records for inspection by TAX in an electronic format if the records are kept in such a format.
- Permits TAX to electronically notify, as an alternative to ordinary mail notice, a person applying for a tax refund if the amount to be refunded is less than what the person requested, but only if the person consents to electronic notice.
- Prescribes a process for handling tax notices that are sent by ordinary mail, but returned as undeliverable.
- Removes the requirement that taxpayers submit petitions for reassessment to TAX through personal service or certified mail.
- Modifies the manner by which TAX may serve public utility tangible personal property and excise tax assessments and notices.
- Allows a public utility to submit a 30-day extension request to file a public utility tangible personal property or excise tax report or statement by a manner other than in writing that is approved by TAX.
- Repeals the requirement that TAX adopt a rule defining the term "primarily" for purposes of describing who qualifies for the defunct dealers in intangibles tax.
- Removes TAX from a procedure through which the designer of a public building may request allocation of a federal income tax deduction for the design and installation of energy-efficient building systems.
- Makes various technical corrections to the laws governing state taxation.

Property tax

- Requires reduction of current expense property taxes levied by certain school districts to reduce collections by the amount of the district's carry-over balance in its general operating budget in excess of 30% of its general fund expenditures in the preceding year.
- Modifies the requirements governing when political subdivisions can file property tax complaints and countercomplaints.

- Requires subdivisions that fail to comply with property tax complaint filing requirements to pay the attorney's fees and costs incurred by the property owner in connection with the complaint.
- Authorizes the board of trustees of a state community college to levy a property tax for operating expenses, but only in the county in which its main campus is located.
- Requires revenue from the tax to be used to support college operations in that county.
- Requires that, if voters approve an operating levy, the board of trustees must charge a lower tuition rate to students who reside in the county in which the tax is levied.
- Allows a subdivision to amend an existing community reinvestment area (CRA) agreement to extend the term of a CRA tax exemption to a total of 30 years for an existing building that is expected to be a megaproject or owned or occupied by a megaproject supplier.
- Allows a building to qualify for a longer than typical CRA tax exemption as part of a megaproject so long as it is owned or occupied, as opposed to owned and occupied, by a megaproject operator or supplier.
- Establishes that a subdivision that does not own the property subject to a CRA exemption, with an obligation to pay property taxes on that building, is not a required party to an agreement for commercial and industrial CRA property tax exemptions.
- Permits a municipal corporation, township, and certain churches to temporarily apply for an abatement of delinquent property taxes on property owned by the applicant without regard to current law's payment limitations.
- Authorizes a manufactured home park operator to notify the county auditor that a manufactured home has been damaged or destroyed for purpose of initiating a refund or waiver of taxes on the manufactured home.
- Requires the notice from a manufactured home park operator to include photographic evidence of the damage or destruction.

Local Government Fund

- Permanently increases, from 1.70% to 1.75%, the percentage of most state tax revenue that the Local Government Fund receives monthly.
- Terminates LGF reductions for townships and counties that have employed traffic cameras to issue citations.

Public Library Fund

- Discontinues dedicating a share of GRF tax revenue to the Public Library Fund, instead funding public libraries through a direct GRF appropriation.

Income tax

Educator expenses tax deduction

(R.C. 5747.01(A)(31); Section 801.20(C))

The bill increases, from $250 to $300, the amount of unreimbursed expenses incurred each year for professional development and classroom supplies Ohio teachers may deduct from state income tax. This deduction supplements a federal income tax deduction for such expenses, which, in 2022, also increased from $250 to $300.[151] This deduction applies to expenses that exceed what the teacher may claim under the federal deduction. The increase applies to taxable years ending on or after the bill's 90-day effective date.

Pregnancy resource center donation deduction

(R.C. 5747.01(A)(44); Section 801.20(D))

The bill authorizes a personal income tax deduction for contributions, up to $750 per year, to a pregnancy resource center that meets the following criteria:

- It is a private, not-for-profit entity.
- Its primary purpose is to promote childbirth.
- It provides services, without charge, to pregnant women and parents with children less than 12 months old.
- It is not associated with abortion-related activities.
- It does not discriminate on the basis of race, religion, color, age, marital status, national origin, disability, or gender.[152]

The tax deduction applies to contributions made on and after the bill's 90-day effective date.

Nonchartered nonpublic school tuition credit

(R.C. 5747.08, 5747.75, repealed, and 5747.98; Section 820.80)

Beginning in 2026, the bill repeals a nonrefundable personal income tax credit available to taxpayers with one or more dependents who attend a nonchartered nonpublic school. The amount of the credit equals the lesser of tuition paid or $1,000 (if the taxpayer's federal adjusted gross income (FAGI) is less than $50,000) or $1,500 (if the taxpayer's FAGI equals or exceeds $50,000).

Homeschool expense credit

(R.C. 5747.72)

The bill expands the nonrefundable personal income tax credit for expenses incurred in homeschooling a taxpayer's dependent, from the current maximum of $250 per return to $250

[151] 26 U.S.C. 62.

[152] R.C. 5180.71.

per homeschooled dependent. So, for example, if a taxpayer has three homeschooled dependents and incurs $1,000 in educational expenses for them during the year, the taxpayer would be able to deduct $750, instead of being limited to $250 under current law.

Withholding from gambling winnings

(R.C. 5747.062, 5747.063, and 5747.064; Section 801.120)

Under continuing law, gambling winnings are income subject to the personal income tax. Proprietors such as casino operators, sports gaming proprietors, lottery sales agents, and the State Lottery Commission are required to withhold an amount of a person's winnings when certain conditions are met, namely winning $600 or more – the amount that triggers an Internal Revenue Service reporting requirement.[153] The withheld amount is remitted to the state, similar to the withholding requirement placed upon employers.

Over the past decade, the General Assembly has enacted a series of reductions to Ohio's income tax rate and tax brackets. The bill reduces the withholding rate on lottery, video lottery, sports gaming, and casino winnings income from 4% to 3.5% to keep pace with these reductions.

Withholding from retirement benefits

(R.C. 5747.071; Section 801.130)

The bill authorizes a formal mechanism for private retirement plans to withhold income taxes from a retiree's benefits. Currently, a withholding tax mechanism exists for benefits paid from state retirement systems (e.g., OPERS and STRS). Private retirement plans may withhold taxes on behalf of its retirees, but there is no formal protocol for them to follow.

The bill's rules for private retirement benefit withholding are similar to those that exist for public retirement benefits. Beginning in 2026, a retiree may request that their retirement plan withhold taxes from the retiree's benefits. Upon receiving such a request, the plan must begin withholding no later than the following year. The plan must file withholding returns with TAX and is subject to penalties and interest for failing to remit withheld taxes. The plan must also provide retirees with an annual statement showing the amount of taxes withheld.

The bill also explicitly allows retirement systems and plans to withhold school district income taxes. Currently, the rules for withholding taxes from public retirement benefits only reference state income taxes.

Resident and nonresident credit computation

(R.C. 5747.05; Section 757.10)

Under continuing law, Ohio residents and nonresidents with income earned in Ohio are subject to Ohio's individual income tax on all income. A resident taxpayer is allowed a "resident" credit for the lesser of income subject to taxation in another state, or the amount of tax paid to another state on that income. If the income is from a state that imposes no tax, a resident

[153] See 26 U.S.C. § 6041.

receives no credit. A nonresident taxpayer is allowed a "nonresident" credit for all income not earned or received in Ohio.

Also under continuing law, the first $250,000 of business income earned by taxpayers filing single or married filing jointly, and included in federal adjusted gross income, is 100% deductible. For taxpayers who file married filing separately, the first $125,000 of business income included in federal adjusted gross income is 100% deductible.

The bill clarifies that income used as the basis for computing the resident and nonresident tax credits is income calculated after taking the business income deduction, conforming the law with current administrative practice.

Withholding tax bulk file program

(R.C. 5747.01(KK) and (LL), 5747.07, and 5747.073; Section 801.150)

The bill establishes a formal income tax withholding "bulk file" program within TAX. Beginning in 2026, payroll service companies may enroll in the program to file employee income tax withholding returns, in bulk, on behalf of their employer clients. TAX currently allows such companies to submit withholding returns through bulk file uploads, but the procedures and requirements for the option are not codified.

Under the program, a payroll service company must register with TAX as a "bulk filer" before filing withholding tax returns on behalf of its clients. TAX will prescribe the program conditions, including standards of conduct and format requirements. TAX must also maintain a list of approved bulk filers on its website.

Bulk filers must file all withholding returns electronically, regardless of the number of clients or returns. Both the bulk filer and the employer may be held liable for unpaid or late taxes. TAX may collect unpaid taxes from a bulk filer, and charge penalties and interest, in the same manner it would against an employer.

Each bulk filer must also file quarterly reports with TAX that identify the company's clients and each client's contact information. In addition, an employer must notify TAX when it engages a bulk filer to submit withholding returns on its behalf. Employers must also maintain their withholding registration with TAX. If a bulk filer's registration is rescinded for any reason, the employer immediately becomes responsible for withholding taxes on behalf of its employees.

Pass-through entity investor taxation

(R.C. 5747.08(I), 5747.38, and 5747.39; Sections 757.60 and 801.180)

The bill changes the law with respect to two taxes that pass-through entities (PTEs) may pay for the benefit of their investors. Those are a composite tax, in which a PTE files a single return for the income tax due from all its investors on the PTE's income and an elective tax designed to increase the PTE owners' federal tax deductions for state and local taxes (SALT). The federal SALT deduction is typically capped at $10,000 but because of the order in which federal taxes are computed, state taxes paid by a PTE are not subject to that cap.

When a PTE files a composite return, its investors will often not need to file their own income tax returns. If an investor has other income or another investor elects to file a return,

however, the investor will need to file an income tax return with the state on the investor's own behalf. When that happens, the investor may claim the amount the PTE paid on the investor's behalf on the investor's own return as a credit. This avoids duplicate payment of taxes, once on the composite return made on behalf of all the PTE's investors and once on the investor's own return. Under current law, the credit equals the investor's proportionate share of the tax paid by the PTE on behalf of the investor. The bill changes that amount to the lesser of the investor's share of the tax due on the composite return or the tax actually paid.

The bill makes a near-identical change with respect to a credit for investors in PTEs that pay the elective PTE tax. The credit currently equals the investor's proportionate share of the elective tax levied on the PTE's qualifying taxable income. The bill changes the credit to the lesser of the amount due or paid under that elective tax. The bill also changes the elective PTE tax by allowing a PTE that elects to pay it to claim certain refundable credits available to its investors as if the PTE were the investors. Those are the credits for taxpayers filing an individual return after a PTE has filed a composite return for the taxpayer and the electing PTE credit. Under current law, any credits or deductions available to a PTE's investors are disregarded when calculating the PTE's elective tax liability.

The bill expresses that the changes regarding credits being the lesser of the amount due or paid, rather than simply the amount due, do not change the law in any way, and only clarify them as they already existed. The bill's changes allowing credits available to investors to be included in calculation of the elective PTE tax apply to taxable years ending on or after January 1, 2025.

Electing pass-through entity taxation

(R.C. 5747.40; Section 757.20)

Under continuing law, Ohio's personal income tax applies to an individual investor's distributive share of a business structured as a PTE. S.B. 246 of the 134th General Assembly (effective June 2022) levied an income tax directly on PTE income. As discussed above, the tax was optional but was designed to allow a PTE investor to fully deduct state income taxes for federal tax purposes to avoid the SALT cap.

S.B. 246 not only levied this tax, it created a system to administer the tax nearly identical to the procedures that had already applied to a separate tax – Ohio's withholding tax for a PTE with nonresident investors. Those administrative provisions, now applicable to the electing PTE tax, expressly do not apply to PTEs with exclusively Ohio investors. This limitation made sense before S.B. 246 because those provisions only applied to the nonresident PTE withholding tax. But now, since those provisions apply to the electing PTE tax, that limitation is out of place as PTEs with exclusively Ohio resident investors are eligible for that tax. Thus, the bill scales back that limitation and no longer applies it to the electing PTE tax. This ensures that the administrative provisions can adequately apply to both taxes.

The bill states that this is a clarification of law rather than a change.

Pass-through entity tax estimated payment dates

(R.C. 5747.43; Section 801.90)

Beginning for taxable year 2026, the bill moves the due date for payment of the second and third estimated tax payments for electing and withholding PTE taxes up by one month. This results in those payments generally being due on June 15 and September 15, respectively, aligning the PTE tax payment schedule with the personal income, school district income, and fiduciary income tax payment schedules.

School district income tax

Repeal of school district income tax on estates

(R.C. 5747.021, 5748.01, 5748.02, 5748.021, 5748.03, 5748.04, 5748.08, 5748.081, and 5748.09; Section 801.100)

The bill repeals the school district income tax on estates. Under continuing law, school districts may levy income taxes with voter approval. Currently, state law requires that school districts use one of two tax bases: a "traditional" tax base, which generally applies to an individual's adjusted gross income and to the taxable income of estates, or an "earned income" tax base, which applies only to individuals' wages and self-employment earnings.

Under the bill, beginning in 2026, school district income taxes with a "traditional" tax base may no longer tax estates. (School districts with an "earned income" tax base already do not tax estates.) Currently, similar to the state income tax, taxes with a "traditional" base apply to an estate's income received during the year, such as earnings from investments like stocks, bonds, or rental property. They do not apply to the estate's assets or its net value.

Notices to TAX

(R.C. 5748.02, 5748.021, 5748.04, 5748.08, and 5748.09; Section 801.70)

Under continuing law, when seeking to levy a school district income tax, a district's board of education must adopt a series of resolutions or ordinances to place the levy on the ballot. The first of these must be certified to TAX, which produces estimated rates for the district. Based on those rates, the board may adopt another resolution detailing the proposed levy and certify it to the county board of elections for placement on the ballot. The bill requires the board of education to send a copy of this final resolution to TAX after it has been certified to the board of elections.

Also under continuing law, the repeal of certain school district income taxes may be initiated by a voter petition submitted to the board of elections. The bill requires a board of elections that determines such a petition to be valid to send a copy of it to TAX.

Municipal income tax

Military pay exemption

(R.C. 718.01; Section 801.190)

Continuing law requires municipal corporations to exempt from municipal income tax the military pay and allowances of members of the U.S. Army, Navy, Air Force, Coast Guard, or Marine

Corps, their respective reserve components, or the national guard. The bill clarifies that pay to members of the U.S. Space Force may be deducted from municipal income tax as part of this existing deduction for military pay by defining "armed forces" in reference to federal law. That definition encompasses the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard.

This clarification applies to taxable years ending on or after the bill's 90-day effective date.

Discretionary interest penalty

(R.C. 718.88)

Under continuing law, a business may elect to have TAX serve as the sole administrator of each municipal income tax the business is liable for on the basis of its net profits.[154] Generally, each taxpayer that makes this election must file a declaration of estimated taxes and remit the estimated amounts to TAX four times each year. In the event of an underpayment, TAX must charge the taxpayer an interest penalty on the underpayment under current law. The bill makes this penalty discretionary.

Extension request

(R.C. 718.85)

Under continuing law, a municipal net profit taxpayer who has made the election described above and who has requested an extension for filing their federal income tax return is entitled to an automatic extension of the net profit tax filing deadline from April 15 to November 15. A taxpayer who has not made the federal request may still request that TAX extend their municipal income tax filing deadline, however, TAX may grant only a six-month extension. The bill extends this extension filing period for such taxpayers to seven months, matching the extension period afforded to taxpayers who request a federal income tax extension.

Refund and assessment periods

(R.C. 718.12, 718.19, 718.90, and 718.91)

Current law prohibits a taxpayer from filing a municipal income tax refund claim more than three years after the date the tax was originally due or paid, whichever is later. For a taxpayer that files for and receives an extension but pays all amounts due by the original due date of the return, the taxpayer is only able to file a refund claim within three years after the original due date of the return. In contrast, to pursue a taxpayer for an alleged underpayment, under continuing law municipalities have until three years after the date the tax was due, including any extension, or the return was filed, whichever is later. The bill equalizes these due dates, allowing a taxpayer who received a valid extension to file a municipal income tax refund claim within three years after that extended due date. The bill also applies the same date commencement to the three-year deadline for tax administrators or the Tax Commissioner to make municipal income tax assessments.

[154] R.C. 718.80, not in the bill.

Electric and telephone company municipal income tax

Electric light and local exchange telephone companies having property, payroll, or sales sitused to an Ohio municipal corporation is subject to that municipality's income tax. Unlike municipal income taxes levied on individuals, the utility income taxes are paid to and totally administered by TAX. The bill makes a number of administrative changes related these taxes.

Electronic payments

(R.C. 5745.03(A) and 5745.04(E))

The bill requires companies to remit all municipal income tax payments and estimated payments electronically. Current law only requires electronic payments for payments of $1,000 or more.

Underpayment penalty

(R.C. 5745.09)

The bill makes discretionary the current mandatory interest penalty charged to companies that underpay their estimated payments. The penalty for underpayment equals the rate applicable to other state tax delinquencies, i.e., the rounded federal short-term rate plus 3%.[155]

Late payment penalty

(R.C. 5745.08)

The bill modifies the discretionary interest penalty that, under current law, may be imposed on late estimated payments of the tax. Specifically, the bill extends the penalty beyond estimated payments to cover any delinquent municipal utility tax payments. Second, the bill changes the penalty from up to twice the underpayment interest amount described above to a flat 15% of the amount of unpaid tax.

Filing extensions

(R.C. 5745.03(B) and (C))

The bill requires TAX to automatically grant a filing extension to a company if it has been granted a federal filing extension. Under current law, the company must file an application, with a copy of the federal extension request, to receive the municipal extension. The bill further expands the length of that extension from six to seven months.

The bill also requires TAX to grant a seven-month filing date extension without requiring a federal extension if the company submits a request before the return due date.

[155] R.C. 5703.47, not in the bill.

Required documentation

(R.C. 5745.03(D))

The bill removes the requirement for a company to include in its annual return to TAX statements of the company's:

- Location of incorporation;
- Location of principal office or place of business in Ohio; and
- Officers' and statutory agent's names and addresses.

Income apportionment

(R.C. 5745.13, repealed)

The bill eliminates requirements imposed on TAX to (1) notify a company that its income apportioned to a municipal corporation will be adjusted and (2) notify each affected municipal corporation if the adjustment exceeds $500 in tax.

The bill also eliminates a notified municipal corporation's authority to challenge the redetermination by requesting TAX to make a further review and conduct proceedings in support of the request.

Sales and use tax

Watercraft and outboard motors tax remittance

(R.C. 1548.06)

Under continuing law, sales and use taxes on the sale of titled watercraft and outboard motors are paid at the time owners receive their title from the appropriate clerk of courts. The bill requires clerks to remit sales and use tax from the sale of titled watercraft and outboard motors to the Registrar of Motor Vehicles instead of directly to TAX. The bill also requires TAX to consult with DPS on the form of the remittance reports that must accompany the collected taxes. Under current law, TAX is solely responsible for determining the form of the remittance reports.

Interest on direct pay refunds

(R.C. 5739.07; Section 801.160)

The bill eliminates interest on sales and use tax refunds for payments that were made pursuant to a direct payment permit. Those permits allow a purchaser to pay sales and use tax directly to the state instead of to the vendor who makes the sale. Direct payment permits are issued by TAX, upon application, if direct payment of the tax will improve compliance and efficiency or if the purchaser is awarded a sales and use tax exemption for a data center project.[156]

[156] R.C. 122.175 and 5739.031, not in the bill.

County sales tax refunds

(R.C. 5739.132; Section 801.170)

Under current law, when a person overpays state or local, i.e., county or transit authority, sales or use tax, that person is entitled to a refund with statutory interest calculated from the date of the overpayment. The bill eliminates interest on refunds of county sales and use tax but continues to allow interest for refunds of state and transit authority taxes. The change applies to refunds allowed on and after the bill's 90-day effective date.

Vendor's license suspensions

(R.C. 5739.31)

Continuing law requires every retail vendor to obtain a vendor's license from TAX or a county auditor and collect and remit state and local sales taxes. TAX may suspend the license of a vendor that repeatedly fails to timely file sales tax returns or remit taxes.[157] A vendor with a suspended vendor's license is prohibited from obtaining another vendor's license from TAX or seemingly the county auditor that issued the suspended license during the suspension period. The bill clarifies that the prohibition on duplicate licenses applies to those obtained from any county auditor – as opposed to just the auditor that issued the suspended license. The bill also allows TAX to cancel any duplicate vendor's license obtained by a vendor during the suspension period.

Lodging taxes

Special lodging tax extension

(R.C. 5739.09)

All counties, townships, municipal corporations, convention facilities authorities, and lake facilities authorities are authorized to levy lodging or "bed" taxes for certain purposes. The rates of these general taxes are subject to various limitations. Along with these, several additional levies have been authorized that are narrowly tailored to permit certain counties, municipalities, and convention facilities authorities to levy increased lodging tax rates and use the revenue for alternative purposes. The bill authorizes the Fairfield County commissioners to renew one such special lodging tax, levied to finance a municipal educational and cultural facility, for up to 15 additional years at a time. Currently, the tax is scheduled to expire in 2028 and cannot be extended further.

Commercial activity tax

Elimination of TPP replacement payment funds

(R.C. 5709.93 and 5751.02)

The bill eliminates two separate funds used to reimburse local governments for their revenue loss from the state's repeal of the tax on business tangible personal property (TPP).

[157] R.C. 5739.30(B)(2), not in the bill.

Currently, revenue from the CAT is credited to the School District Tangible Property Tax Replacement Fund and the Local Government Tangible Property Tax Replacement Fund as necessary to make those payments.

Under the bill, the reimbursement payments will be made directly from the GRF. Any CAT revenue that is currently credited to the reimbursement funds will, like most CAT revenue, be credited to the GRF. The change does not affect the amount or frequency of any TPP replacement payments.

Petroleum activity tax

Collection of licensing fees

(R.C. 5736.09; Section 757.30)

The bill expressly allows TAX to issue an assessment to collect unpaid petroleum activity tax (PAT) licensing fees. Current law only explicitly allows TAX to issue PAT assessments for unpaid taxes.

The PAT is levied on motor fuel suppliers' gross receipts from fuel sales in the state. As part of the tax, suppliers are required to obtain an annual license. Under the bill, if a supplier fails to pay a license fee, TAX may issue an assessment to collect the fee. The bill allows TAX to issue such assessments beginning on the bill's 90-day effective date and, under the statute of limitations period authorized under continuing law, those assessments may seek to collect fees unpaid during the preceding four years.

Cigarette, tobacco, and nicotine taxes

Cigarette taxes for arts and cultural districts

(R.C. 5743.021)

The bill allows any charter county to, with voter approval, enact a cigarette tax for the benefit of an arts and cultural district. Current law allows Cuyahoga County to enact such a tax through population requirements only it meets. The bill's change allows Summit County to also enact a cigarette tax for an arts or cultural district and leaves Cuyahoga County's authority unchanged.

Marijuana excise tax

Levy and distribution

(R.C. 3780.02, 3780.03, 3780.10, 3780.18 (repealed), 3780.19 (repealed), 3780.22, 3780.23 (repealed), 3780.24, 3780.25, 3780.26, and 3780.30; Section 801.60)

Beginning July 1, 2025, the bill imposes a 10% excise tax on the illegal sale of marijuana by an unlicensed seller, matching the rate and revenue allocation of the excise tax levied on sales of adult-use marijuana from licensed dispensaries under continuing law.

Revenue from the adult-use tax, under current law, is distributed as follows:

- 36% to DEV's Cannabis Social Equity and Jobs Program;

- 36% for the benefit of municipal corporations or townships that have adult-use dispensaries, based on the percentage of tax attributable to each municipal corporation or township;
- 25% to support the efforts of the Department of Mental Health and Addiction Services (OMHAS) to alleviate substance abuse and related research;
- 3% to support the operations of the Division of Cannabis Control and to defray the cost of TAX in administering the tax.

The bill reduces and sunsets allocations of the tax revenue for local governments that host adult use marijuana dispensaries and repeals allocations for DEV's Cannabis Social Equity and Jobs Program and OMHAS' substance abuse alleviation and research programs, which the bill also sunsets. It also discontinues the 3% administrative earmark. For host communities, the bill reduces the allocation from 36% of adult-use marijuana tax revenue to 20%. The reduced amount is allocated for five years and then eliminated. To qualify for funding, a municipality or township must have within its territory, as of June 30, 2025, at least one adult-use dispensary or location for which a provisional dispensary license has been issued. If, during the five years these allocations are made, a host community ceases to have a dispensary operating in its territory, the allocation to that community ends. All remaining unallocated receipts are credited to the GRF.

Tax information exchange

(R.C. 3780.06)

The bill requires TAX, on the request of COM, to share pertinent information about the tax violations of an existing adult use cannabis licensee. Under current law, COM is only allowed to request this information for applicants seeking a license. This information may include information about tax law violations or resulting penalties.

Public utility excise tax

Refunds applied to tax debt

(R.C. 5727.42)

Continuing law levies a 6.75% excise tax on the gross receipts of certain public utilities, namely a telegraph, pipe-line, water-works, or water transportation company. Any such utility may request a refund of any amounts it overpays. However, current law bars a refund to a utility that has a delinquent claim for this excise tax.

The bill removes this prohibition and instead requires the refund to first be applied to the outstanding excise tax debt. The bill also allows the refund to be applied to any other outstanding debt for a tax or fee administered by TAX, including related penalties and interest.

The bill's changes results in a mechanism that mirrors tax debt application provisions applicable to other state taxes.[158]

[158] E.g., R.C. 5739.072, 5747.12, and 5751.091, not in the bill.

Financial institution tax

Online forms

(R.C. 5726.03)

Under continuing law, each taxpayer subject to the financial institutions tax is required to file a written annual report in a form that TAX may prescribe. TAX, as a matter of practice, requires taxpayers to file the report and pay the tax electronically and not on paper forms, but current law continues to require TAX to post those forms on its website. The bill removes this online posting requirement.

Insurance premium tax

Certification of nonpayment

(R.C. 5729.10)

Under continuing law, a foreign insurance company that fails to pay insurance premium taxes is subject to a collection action upon certification of the delinquency to the Attorney General. The bill requires the Treasurer of State to make this certification, replacing the Superintendent of Insurance's authority to do so under current law.

Severance tax

Coal tax rate

(R.C. 5749.02(A)(1); Section 801.210)

The bill reduces the severance tax rate on coal from 10¢ to 8¢ per ton. The reduction applies to calendar quarters ending on or after the bill's 90-day effective date. Under continuing law, revenue from this severance tax is credited to DNR's Mining Regulation and Safety Fund.

The bill does not modify the rate of two other severance tax coal levies that apply to only certain coal – one a variable rate tax on coal produced from an area under a reclamation permit and the other a 1.2¢ per-ton tax on surface-mined coal.

Replacement tire fee

Eliminate discount

(R.C. 3734.904; Section 801.110)

The bill eliminates, beginning January 1, 2026, the 4% discount for wholesale distributors of replacement tires or retail dealers who timely file and pay the replacement tire fee administered by TAX.

The replacement tire fee is $1 per new tire sold. Revenue from this fee is used to defray the cost of regulating scrap tires, abate accumulations of scrap tires, and fund loans and research grants related to scrap tire recycling.

Corporation franchise tax

Statutory agent

(R.C. 1701.04, 1701.07, and 1703.041)

The bill removes a requirement placed on corporations to include the name and address of the corporation's statutory agent in its annual report filed with TAX under the now-defunct corporation franchise tax. The corporation franchise tax was repealed for most businesses in 2009 and for financial institutions in 2013, meaning corporations are no longer required to file a report with TAX.

Tax credits

Historic building rehabilitation tax credit

(R.C. 149.311)

The bill permanently increases the annual cap on the Ohio historic building preservation tax credit, from $60 million to $90 million per fiscal year. The cap was previously temporarily increased to $120 million for FYs 2023 and 2024.

The Ohio historic preservation tax credit offers owners and long-term lessees of qualifying historically designated buildings state tax credits equal to a percentage of qualified rehabilitation expenses, up to $5 million. The tax credit is partially refundable and can be applied against the financial institution, foreign and domestic insurance premium, or income tax. The bill increases the percentage of qualified rehabilitation expenditures that may be claimed as a credit from 25% to 35% for projects located in the unincorporated area of a township or in a municipal corporation with a population less than 300,000. This applies to all areas in the state outside of its three largest cities.

The bill also prohibits DEV from considering building vacancy or underutilization when ranking applications and awarding credits.

Film and theater capital improvement tax credit

(Repealed R.C. 122.852, 5726.59, 5747.67, and 5751.55; conforming amendments in R.C. 122.85, 5726.98, 5747.98, and 5751.98)

The bill repeals the film and Broadway theater capital improvement tax credit. Current law authorizes a refundable and transferable commercial activity tax (CAT), financial institutions tax (FIT), or income tax credit for a motion picture or Broadway theatrical production company that completes a capital improvement project in Ohio with a positive economic impact. Eligible projects include the construction, acquisition, repair, or expansion of facilities or equipment that will be used in motion picture or Broadway productions or for postproduction.

Generally, the credit equals 25% of either the company's actual qualified expenditures, or the amount of such expenditures estimated on the company's application, whichever is less. Qualified expenditures are expenditures for goods and services purchased and consumed directly for a capital improvement project, and include the purchase of goods or services directly for use in a capital improvement project, as well as any accounting and auditing expenses incurred to

comply with reporting requirements. They do not include expenses on the basis of which a motion picture and theater credit has been awarded.

The credit is capped at $5 million per project, $5 million per county, and $25 million per fiscal year overall. If DEV does not issue the full $25 million allotment in a particular fiscal year, the excess allotment can be carried forward to the next fiscal year. Additionally, DEV may reduce the maximum amount for any fiscal year and increase the maximum amount for the film and theater production tax credit (described below) by a corresponding amount.

Film and theater production tax credit cap and application review

(R.C. 122.85)

Continuing law allows a refundable tax credit for companies that produce all or part of a motion picture or Broadway theatrical production in Ohio and incur at least $300,000 in production expenditures. The credit currently equals 30% of the company's actual or budgeted expenditures, whichever is less, for goods, services, and payroll involved in the production. A company can claim the credit against the CAT, FIT, or income tax. To obtain a credit, a company must first submit an application to DEV.

The bill increases the annual film and Broadway theater production tax credit limit from $50 million to $75 million per fiscal year. Under current law, film and theater tax credits equaling $50 million, plus any amounts not awarded from the previous fiscal year's cap and any amounts transferred from the capital projects credit allotment, can be awarded each fiscal year. The bill continues to allow amounts available but not awarded in the previous fiscal year to be carried forward but the transfer from the capital improvement credit is eliminated with that credit (described above). Under continuing law, $5 million of the cap is reserved for Broadway theatrical productions each fiscal year and any unawarded amount carried forward to the next year remains reserved for Broadway.

The bill also replaces the current process for reviewing and approving applications for these credits, which is executed in two rounds, with a rolling review and award process. Most of the review criteria that currently apply, requiring ranking based on economic impact and the likelihood a project will help develop a permanent film and theater workforce, are eliminated. The bill retains, however, a requirement that priority be given to awarding the credit to television and miniseries productions due to their long-term nature.

Transformational mixed-use development credits

(R.C. 122.09)

The bill removes the sunset date for the awarding of transformational mixed-use development (TMUD) tax credit. The Tax Credit Authority is currently authorized to award up to $100 million in tax credits annually through the end of FY 2025. The bill does not change the annual award cap.

A TMUD credit may be claimed against insurance premium tax liability and is based on capital contributions to TMUDs. Those are multi-purpose construction projects that meet certain minimum building height, square footage, or payroll criteria and that are expected to have a transformational economic impact on the surrounding area. Credits are awarded by the Tax

Credit Authority through an application process initiated either by the property owner or an insurance company that contributes capital to the project. The amount of the credit depends, in part, on the development costs associated with the TMUD if the applicant is the property owner, or the amount of the capital contribution if the applicant is an insurance company and, in part, on the increase in tax collections at the project site and the surrounding area. More than one person may apply for, and receive a tax credit for the same project, but the total amount of tax credits awarded for a TMUD project must not exceed 10% of the development costs incurred by the property owner.

Housing tax credits reporting

(R.C. 175.16 and 175.17)

The bill modifies the reporting requirements for a recipient of a state-funded low-income housing tax credit or a single-family housing development tax credit, which may both be awarded against the domestic or foreign insurance premium tax, financial institutions tax, or income tax. First, the bill makes TAX the sole recipient of required annual reports from taxpayers who are awarded these credits. Under current law, these reports must be delivered to both TAX and INS for the low-income housing tax credits and, for single-family housing development tax credits, OHFA, which must forward them to TAX and INS. Under the bill, TAX must share the submitted reports with INS.

Tax administration

Tax penalty abatement and avoidance

(R.C. 5703.901, with conforming changes in R.C. 128.99, 718.89, 3734.904, 3734.907, 3769.088, 4305.13, 4305.131, 5703.261, 5703.262, 5703.263, 5726.03, 5726.21, 5727.08, 5727.25, 5727.26, 5727.60, 5727.82, 5727.83, 5727.89, 5728.09, 5728.10, 5733.022, 5733.062, 5735.062, 5735.12, 5735.121, 5736.05, 5739.032, 5739.102, 5739.12, 5739.122, 5739.124, 5739.133, 5741.121, 5741.122, 5743.051, 5743.081, 5743.082, 5743.51, 5743.56, 5745.041, 5745.08, 5747.072, 5747.082, 5747.09, 5747.15, 5743.43(C), 5747.44, 5749.06, 5749.15, 5751.06, 5751.07, and 5753.05; Section 801.40)

The bill grants TAX general authority to abate, that is to refund or forgive, penalties charged to taxpayers. The new authority applies to all penalties, including interest penalties, or other charges TAX imposes to enforce any tax or fee that TAX administers. Alongside the new grant of general authority, the bill eliminates several current and specific grants of authority that allow TAX to abate penalties charged on some of the taxes it administers.

The bill particularly allows TAX to not impose, at all, or to refund or forgive penalties and interest charged for failure to pay sufficient estimated state, school district, or certain PTE income taxes during a taxable year. This authorization applies to taxable years beginning in 2025 or after.

State recovery of refunded local taxes

(R.C. 5703.052)

Under continuing law, when a local government receives revenue from a tax or fee collected by TAX that turns out to have been illegally or erroneously collected, the taxpayer is

entitled to a refund that is paid out of the state Tax Refund Fund. To recover the amount of local tax refunded, TAX takes that amount out of the next distribution of taxes to that local government. However, if that recovery amount is greater than 25% of the distribution, the Commissioner may spread the recovery over multiple distributions. Under current law, this recovery period cannot exceed three years. The bill extends the recovery period to not more than six years.

Disclosure of tax information

(R.C. 5703.21)

The bill permits an agent of TAX to publish or disclose the amount of revenue distributed to a political subdivision from any tax or fund administered by TAX.

The bill additionally authorizes disclosure of an employer's state income tax withholding account number for the purpose of allowing a current or former employee to complete the employee's income tax return. TAX may require the employee to provide evidence of current or past employment before making that disclosure.

This disclosure authority is created in exception to the prohibition in continuing law against TAX agent disclosure on taxpayer transactions, property, or business.

Electronic tax filing and payments

(R.C. 5703.059 and 5747.42)

Current law authorizes TAX to require electronic tax filing and payment, but only if it first adopts a rule with those requirements. The bill gives TAX authority to require electronic filing and payment without first adopting rules.

Electronic records inspection

(R.C. 5703.19)

The bill requires taxpayers to provide books, accounts, records, or memoranda in an electronic format at the request of TAX if those records are kept electronically or available in an electronic format. Under continuing law, TAX's employees have the authority to demand to inspect the books, accounts, records, and memoranda of any person subject to Ohio's tax laws.

Tax refund adjustment notices

(R.C. 5703.70)

The bill adds an alternative method for TAX to use to notify a person when the person's requested tax refund is less than requested. Under current law, when TAX determines that the amount of a refund to which an applicant is entitled is less than the amount claimed, TAX must give the applicant notice in writing, sent via ordinary mail. The bill allows the notice to be sent electronically as an alternative, if the person consents to electronic delivery. If the notice is sent electronically, it must be sent to the person or the person's authorized representative through secure electronic means associated with the person's or representative's last known email address.

Undeliverable tax notices

(R.C. 5703.37)

The bill prescribes a process for handling tax notices that are sent by ordinary mail, but that are returned as undeliverable. The process mirrors an existing process for undeliverable tax notices that were sent by certified mail.

In 2023, the most recent biennial budget bill, H.B. 33 of the 135th General Assembly, allowed TAX to send any tax notice by ordinary mail or electronically, rather than by certified mail. However, the law does not specify how to treat ordinary mail that is returned as undeliverable. The bill requires that such mail be treated the same as undeliverable, certified mail. The process involves, in some situations, a follow-up mailing, and a requirement that TAX try to determine an alternative address for the taxpayer. If those measures fail, the notice becomes final 60 days after it was first returned.

Petitions for reassessment

(R.C. 128.46, 718.90, 3734.907, 3769.088, 4305.131, 5726.20, 5727.26, 5727.47, 5727.89, 5728.10, 5735.12, 5736.09, 5739.13, 5743.081, 5743.56, 5745.12, 5747.13, 5749.07, 5751.09, and 5753.07)

Continuing law authorizes TAX to issue assessments against taxpayers to enforce and collect delinquent taxes. Similar assessment procedures apply across all taxes and fees administered by TAX. One step in the assessment process is that a taxpayer that receives an assessment may file a petition containing the taxpayer's objections and requesting that TAX make a reassessment based on them. Current law generally requires that these petitions for reassessment be submitted to TAX through personal service or certified mail. The bill removes these service requirements, potentially authorizing different or additional manners of submission.

Public utility taxes: service of notices

(R.C. 5727.38, 5727.42, and 5727.47)

The bill expands the options TAX has for serving assessments and appeal notices to taxpayers for public utility TPP taxes and the public utility excise taxes. Current law requires those assessments and notices to be served by mail. The bill adds to that option other methods provided in continuing law governing other notices or orders served by TAX. Those other options are personal service, certified mail, authorized delivery service, ordinary mail, and secure electronic notification (but only with the person's consent).[159]

Public utility taxes: extension request

(R.C. 5727.48)

The bill allows a public utility additional options to request a 30-day extension, authorized under continuing law, to file a report or statement required for public utility TPP or excise taxes.

[159] R.C. 5703.37.

Under current law, the extension application must be filed in writing. The bill instead requires the public utility to request the extension in the form and manner prescribed by TAX.

Dealers in intangibles rule requirement

(R.C. 5725.01)

Although the dealers in intangibles tax was repealed beginning in 2014, certain related requirements still exist under current law. One such requirement is for TAX to adopt a rule defining the term "primarily" for purposes of describing who is subject to the tax as a person engaged in a business that "consists primarily of lending money, or discounting, buying, or selling" various evidences of indebtedness or securities. The bill repeals that rulemaking requirement for the defunct tax.

Energy-efficient building federal tax deduction

(R.C. 9.239)

The bill removes TAX from a procedure through which the designer of a public building may request allocation of a federal income tax deduction for the design and installation of certain energy-efficient systems.[160] The designer may still request such an allocation under the bill, but only from the public entity that owns the building.

Technical corrections

(R.C. 5747.01, 5747.02, 5747.10, and 5725.23; Section 801.20)

The bill makes the following technical corrections to the laws governing state taxation:

- Corrects two erroneous cross-references in the income tax law.
- Removes an outdated reference to the intangible property tax, which is no longer levied.

Property tax

School district reductions for excess carry-over

(R.C. 323.131, 3317.01, 4503.06, 5705.31, 5705.316; Section 757.110)

The bill reduces the current expense property taxes levied by a school district that has a carry-over balance in its general operating budget above a particular threshold. Under continuing law, taxing units, including school districts, are required to certify their operational revenues and expenditures to the county auditor on or about the first day of each fiscal year, i.e., July 1. The bill requires each city, local, and exempted village school district, with certain exceptions, to make this certification by July 15 of each year to the county auditor of each county in which the district has territory. Each county budget commission or, if the district crosses county boundaries, joint budget commission must then convene to review these certifications by the following August 15. (A county budget commission is a local body that reviews local government revenue estimates and budgets. It is generally comprised of the county auditor, county treasurer, and, under the

[160] 26 U.S.C. 179D.

bill, the president of the board of county commissioners. A joint county budget commission is comprised of the officers of each participating county.)

If a budget commission determines that a district's carry-over balance in its general operating budget from the preceding fiscal year is more than 30% of its general fund expenditures made in that year, the commission must reduce the rates of property tax levied by the district for current expenses so as to reduce collections by the amount of the excess carry-over balance. The reduction applies to that following tax year only. The reduction mechanism does not apply to an island school district or a joint state school district, i.e., the College Corner Local School District.

In order to provide a reduction for real property for tax year 2025, and tax year 2026 for manufactured and mobile homes, the bill requires each budget commission to convene no later than October 31, 2025, to perform the review of each district's carry-over balance.

Notice on tax bill

The bill requires that tax bills for a property or manufactured home, the tax liability of which has been reduced due to a school district's excess carry-over balance, include a notice stating the reason for the reduction and that the reduction applies only to the current tax year.

20-mill minimum levy requirement

The bill exempts a school district whose levies have been reduced by this mechanism from the requirement that it levy at least 20 mills in property and income taxes to receive state foundation aid, so long as the reductions are the sole cause of the district levying less than the required amount.

Limitations on property tax challenges

(R.C. 5715.19 and 5717.01; Section 757.90)

The bill modifies a recent law that imposed limits on the filing of property tax complaints by parties other than property owners. Among other changes, H.B. 126 of the 134th General Assembly limited the situations in which political subdivisions can file property tax complaints or appeal the decisions of a board of revision (BOR) regarding those complaints.

Filing of property tax complaints

Sale requirement

Under current law, as enacted in H.B. 126, political subdivisions may only file a property tax complaint with respect to property the subdivision does not own if (a) the property was sold in an arm's length transaction before the tax year for which the complaint is filed and (b) that sale price was at least 10% and $500,000 more than the auditor's current valuation. The $500,000 threshold increases each year for inflation, beginning in tax year 2023. These limits also apply to third party property owners in the county who do not own or lease the property in question ("third party complainants").

The bill further narrows this sale requirement, by specifying that a conveyance fee statement for the sale must have been filed with the county auditor within the two years

preceding the year for which the complaint is filed. Current law requires that the property was sold before that year but does not expressly include any limit on when that sale occurred.

Resolution

Existing law also requires that, before filing a complaint, a subdivision must adopt a resolution authorizing the complaint. The bill specifies that such a resolution is also required if the complaint is filed by a third party complainant who is "acting on behalf of a subdivision." A person is considered to be "acting on behalf of a subdivision" if the person is an official or employee of the subdivision or was directed to file the complaint by an official or employee.

Under the bill, all third party complainants must submit an affidavit, with the complaint, certifying whether the person is or is not acting on behalf of a subdivision. The falsification of such an affidavit is a first degree misdemeanor.

Penalty for illegal filing

Under continuing law, if a subdivision files a complaint that does not meet the sale and resolution requirements, the BOR will dismiss the complaint. The bill adds that, in such cases, the BOR must also order the subdivision to pay any attorney's fees and costs incurred by the property owner in connection with the complaint. The amounts must be paid to the property owner, through the BOR. If the subdivision fails to pay the amount due, the BOR may refer the case to the county prosecuting attorney for collection.

Application

The bill's new complaint filing limits and penalty apply to complaints filed on or after the bill's 90-day effective date.

Countercomplaints

Under continuing law, if a property tax complaint alleges a change in value of at least $50,000 in fair market value ($17,500 in taxable value), a school district may join the case by filing a countercomplaint. The bill provides that a school district may only file such a countercomplaint if the original complaint was filed by the owner or lessee of the property. Essentially, the bill prohibits school districts from filing countercomplaints when the original complaint is filed by another political subdivision or by a third party complainant. This change applies to countercomplaints filed with respect to tax year 2022 and after.

Appeals of BOR decisions

The bill expands an existing law, also enacted in H.B. 126, that prohibits political subdivisions from appealing BOR decisions on property they do not own to the Board of Tax Appeals (BTA). Under the bill, these appeal limitations also apply to third party complainants. In addition, the bill expressly prohibits a subdivision from appealing a BOR decision regarding a complaint filed by a third party complainant. This latter prohibition applies to appeals of BOR decisions issued on or after July 21, 2022 (H.B. 126's effective date). The limit on third party complainants applies to appeals of BOR decisions issued after the bill's 90-day effective date.

Private payment agreements

Continuing law prohibits a political subdivision from entering into a private payment agreement with a property owner whereby the owner agrees to pay the political subdivision to dismiss, not file, or settle a complaint or countercomplaint. The bill extends this prohibition to any agreement that a property owner would enter into with a person who is acting on behalf of a political subdivision. This prohibition applies to complaints filed on or after the bill's 90-day effective date.

State community college tax operating levy

(R.C. 3358.08 and 3358.11)

The bill authorizes a state community college to submit to certain of its voters a property tax levy to pay for its operating expenses. Specifically, the district, even though it may encompass territory in several counties, must submit the question only to voters in the county in which the district's main campus is located. The tax may be levied for any specified number of years, or for a continuing period of time, and may be renewed or replaced before its expiration. If county voters approve the levy, then the district may only use revenue from the tax to support its operations in that county and the district's board of trustees must charge a lower tuition rate to students who reside in that county.

Under continuing law, a state community college district is a political subdivision created by the Chancellor of Higher Education upon receiving a proposal from a technical college district or a state university or upon a proposal by boards of county commissioners or initiative petition. The purpose of the district is to establish, own, and operate a state community college. It is governed by a board of trustees consisting of nine members appointed by the Governor. The territory of the district is composed of the territory of a county, or of two or more contiguous counties. The district must have a population of at least 150,000.[161]

The tax levy authorized by the bill is nearly identical to the operating levy authorized under continuing law for community college districts, except a community college district is not able to limit its levy to only a portion of its territory.[162] Community college districts and state community college districts perform similar functions but there are some administrative differences between the two, such as how they are formed and how trustees are appointed.

Constitutional consideration

The Ohio Constitution requires that land and improvements must be taxed by uniform rule.[163] This has long been interpreted to mean, in part, that a taxing authority may not levy a

[161] R.C. 3358.01, 3358.02, and 3358.03, not in the bill.

[162] R.C. 3354.12, not in the bill.

[163] Article XII, Section 2, Ohio Constitution.

property tax within only a portion of its territory.[164] Accordingly, limiting a state community college district, whose territory may span multiple counties, to imposing an operating levy in only one of those counties may conflict with the uniform rule.

Community reinvestment area agreements and exemptions

(R.C. 3735.67 and 3735.671; Section 801.220)

The bill allows counties, home-rule townships, and municipal corporations, through their legislative authorities, to amend existing community reinvestment area (CRA) agreements to extend a tax exemption to a total of 30 years when a megaproject becomes involved. Typically, a new or remodeled commercial structure in a CRA can receive a tax exemption on the value of a new structure or the increased value of a remodeled structure for up to 15 years.

Structures on the site of a megaproject and owned and occupied by a megaproject operator or off the site of a megaproject and owned and operated by a megaproject supplier, however, can receive exemptions for up to 30 years. In any case, CRA exemptions for commercial and industrial property must be governed by an agreement between the local government that created the CRA and the property owner. Those agreements establish the length and percentage of exemption, often subject to school district approval.

The bill changes two aspects of the CRA law with respect to megaprojects. First, it establishes that the structures in question need only be owned or occupied, rather than owned and occupied as under current law, by a megaproject operator or supplier to be eligible for a 30-year exemption. Second, the bill allows an existing CRA agreement to be modified to the maximum 30-year term when a megaproject operator or supplier is expected to become the owner or occupier of the building in question. In other words, a building with a 15-year CRA exemption can become subject instead to a 30-year CRA exemption if a megaproject operator or supplier is expected to own or occupy the building at some time after the initial CRA agreement was executed.

The bill also changes the CRA law with respect to commercial and industrial projects, generally. Recall that those projects receive CRA exemptions only pursuant to a negotiated agreement with the subdivision that designated the CRA. The bill establishes that no political subdivision other than the designating board of township trustees, the board of county commissioners, or legislative authority of the municipal corporation needs to be a party to a CRA agreement unless that subdivision is a fee simple owner of the property in question that would otherwise be obligated to pay real property taxes for the property.

The bill's megaproject-specific changes apply to all CRA agreements entered on or after January 1, 2025. The bill's general change for all commercial and industrial CRA projects applies regardless of when the agreement was or is executed.

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[164] See *Exchange Bank v. Hines, 3 Ohio St. 1, 15 (1853)* ("The uniformity must be coextensive with the territory to which it applies. If a State tax, it must be uniform over all the State; if a county, town, or city tax, it must be uniform throughout the extent of the territory to which it is applicable.").

Temporary abatements

(Sections 757.60 and 757.70)

The bill establishes a temporary procedure by which a church that acquired property in May 2022 and any municipal corporation or township may apply for a tax exemption for the property and abatement of any unpaid taxes, penalties, and interest that became a lien on the property from before the church, municipality, or township acquired it. The application for exemption and abatement must be filed with TAX within 12 months after the bill's 90-day effective date.

Continuing law generally only allows a tax exemption if the property in question is exempt from taxation on the tax lien date, which is January 1 each year, and all taxes, penalties, and interest have been paid in full before the property was acquired by the exempt user. Delinquent taxes accruing after that point may be abated, but only if they are delinquent for less than three years.[165]

Manufactured home tax waivers or refunds

(R.C. 4503.0611)

The bill adds manufactured home park operators to the group authorized to notify the county auditor that a manufactured home has been damaged or destroyed to initiate a refund or waiver of taxes on the home. A notice submitted by an operator must include photographic evidence. Under continuing law, the manufactured home's owner or two disinterested people who reside in the same township or municipal corporation as the manufactured home may provide notice, without photographic evidence. Continuing law also allows the county auditor to submit the required form on the auditor's own initiative following an inspection and investigation if no reporting form has been received.

The bill does not change the amount of taxes that may be waived or refunded. Under continuing law, the auditor must determine the reduction in the manufactured home's market value due to the damage or destruction. The ratio determined by comparing the reduced value to the initial value is the same ratio by which the taxes are reduced if the damage or destruction occurred in the first half of a year. If in the second half of the year, one-half of the ratio is applied to determine the reduction.

Local Government Fund

Allocation amount

(R.C. 131.51(A); Sections 387.10 and 387.20)

The bill permanently increases, from 1.70% to 1.75%, the percentage of state tax revenue deposited to the GRF each month that is then transferred to the Local Government Fund (LGF).

The budget enacted by the 135th General Assembly in 2023 increased the percentage the LGF receives from the GRF to 1.70%, beginning with FY 2024. Prior to that, the permanent

[165] R.C. 5713.08 and 5713.081, not in the bill.

percentage was 1.66%, beginning in FY 2014, though the General Assembly had authorized several temporary increases ranging from 1.68% to 1.70% between FY 2014 and FY 2021.[166]

Reductions for traffic camera fines

(R.C. 5747.502)

The bill terminates LGF reductions for townships and counties that have employed traffic cameras to issue citations. H.B. 54 of the 136th General Assembly, the most recent biennial transportation budget, prohibited counties and townships from using those cameras, but it also preserved reductions in the LFG distributions to counties and townships that have employed them. As a result, under the transportation budget, outstanding LGF reductions from previous county and township traffic camera reductions are set to be deducted until they are fully withheld. The bill eliminates those reductions as of its 90-day effective date.

Public Library Fund

Allocations

(R.C. 131.51(B) and (C); Sections 387.10 and 820.20)

Beginning for FY 2026, the bill no longer dedicates a 1.70% share of GRF tax revenue to the Public Library Fund (PLF), instead funding public libraries through a direct GRF appropriation ($490 million in FY 2026 and $500 million in FY 2027). Under current law, OBM transfers this 1.70% share to the PLF monthly, while, under the bill, OBM transfers $^{1}/_{12}$ of the PLF's appropriation for the fiscal year from the GRF to the PLF.

Similar to trends with the LGF, the budget enacted by the 135th General Assembly in 2023 increased the percentage the PLF receives from the GRF to 1.70%, beginning with FY 2024. Prior to that, the permanent percentage was 1.66%, beginning in FY 2014, though the General Assembly had authorized several temporary increases ranging from 1.68% to 1.70% between FY 2014 and FY 2021.[167]

Under continuing law, money in the PLF is distributed monthly to each county's public library fund according to a formula, administered by TAX, which is predominately based on each county's share of the PLF in the preceding calendar year, plus an inflation factor. Each county distributes its share among libraries according to a locally approved formula or, in some counties, a statutory formula.

[166] Section 387.20 of H.B. 110 of the 134th General Assembly (2021), Section 387.20 of H.B. 166 of the 133rd General Assembly (2019), Section 387.20 of H.B. 49 of the 132nd General Assembly (2017), and Section 375.10 of H.B. 64 of the 131st General Assembly (2015).

[167] Section 387.20 of H.B. 110 of the 134th General Assembly (2021), Section 387.20 of H.B. 166 of the 133rd General Assembly (2019), Section 387.20 of H.B. 49 of the 132nd General Assembly (2017), and Section 375.10 of H.B. 64 of the 131st General Assembly (2015).

DEPARTMENT OF TRANSPORTATION

Airport funding

- Creates the Ohio Airport Improvement Program Fund to be administered by the ODOT Office of Aviation.
- Reallocates petroleum activity tax collections derived from the sale of aircraft fuel from the GRF to fund the Airport Improvement Program.

Regional transportation improvement projects (RTIP)

- Expands what constitutes a "qualified RTIP" to include those that are undertaken after the completion of a feasibility study.
- Requires the feasibility study to include both an economic and a technical feasibility assessment.
- Expands the membership of an RTIP governing board to include the Chief Executive Officer (CEO) of the JobsOhio network partner that covers the majority of the area encompassed by the RTIP or the CEO's designee.
- Expands the RTIPs that may form a transportation financing district to any qualified RTIP.

Drones for First Responders Pilot Program

- Requires the ODOT Director to establish a Drones for First Responders Pilot Program.
- Specifies the goals for the program, including acquisition of unmanned aerial vehicle systems (UAVS) for first responders, training on those systems, obtaining necessary federal approvals for beyond visual line of sight operations, and integrating state infrastructure.
- Conditions the purchase of any UAVS on their compliance with federal laws and regulations, including those involving national security and defense spending.

Midwest Interstate Passenger Rail Compact

- Adopts the Midwest Interstate Passenger Rail Compact, of which Ohio was a party state beginning in 2002 until its withdrawal in 2013.
- As part of the Compact, provides for the appointment of Ohio members to the Midwest Interstate Passenger Rail Commission (MIPRC), and enacts provisions governing MIPRC's powers and duties, which include advocating for the funding and authorization necessary to make passenger rail improvements a reality for the Midwest Region.
- Prescribes the appointing authorities for Ohio's four members on MIPRC, consistent with the Compact.
- As part of the Compact, specifies procedures for MIPRC financing and member state default, reinstatement, termination, and withdrawal.

- Specifies severability procedures and rules of construction for purposes of the Compact.

Airport funding

Ohio Airport Improvement Program Fund

(R.C. 4561.03)

The bill creates the Ohio Airport Improvement Program Fund within the state treasury. The fund consists of money appropriated to it by the General Assembly and transfers from the Petroleum Activity Tax Fund. The fund must be used by the Office of Aviation to support the Ohio Airport Improvement Program, which was administratively created by that Office. That program provides financial support to publicly owned, public-use airports in Ohio. All investment earnings of the fund must be credited to it.

Petroleum activity tax revenue

(R.C. 5736.02, 5736.04, and 5736.13)

The bill reallocates a share of the petroleum activity tax (PAT) to fund the Airport Improvement Program. The PAT is a 0.65% tax levied on the calculated gross receipts from the sale of motor fuel, including motor fuel used to power aircraft. The bill reallocates the share of the PAT attributable to aircraft fuel to fund the Airport Improvement Program, less 1% of that amount to fund TAX's administrative expenses. Under current law, this revenue is generally credited to the GRF. To enable this transfer, the bill requires PAT taxpayers to report the share of their gross receipts derived from the sale of aircraft fuel.

Regional transportation improvement projects (RTIP)

(R.C. 5595.01, 5595.02, 5595.04, and 5709.48)

Current law authorizes the boards of county commissioners of two or more counties to enter into a cooperative agreement creating a regional transportation improvement project (RTIP). An RTIP created prior to October 3, 2023, is also known as a "qualified RTIP," based on changes from H.B. 33 of the 135th General Assembly. The purpose of an RTIP is to undertake transportation improvements or opportunity corridor improvements (i.e., public infrastructure improvements that enhance or assist transportation improvements) within the participating counties. The cooperative agreement governs the scope of the project and includes a comprehensive plan for its completion.

The bill expands what constitutes a "qualified RTIP" to allow additional qualified RTIPs to be created, provided they are undertaken after the completion of a feasibility study. That study must contain both:

- An economic feasibility assessment, approved by the Department of Development, that demonstrates the viability of the transportation improvement or opportunity corridor improvement; and

- A technical feasibility assessment, approved by the Department of Transportation, that demonstrates the ease of construction of the transportation improvement or opportunity corridor improvement.

The bill also expands the meaning of "opportunity corridor improvement" to include the facilities that are required for the gathering, transmission, and distribution of utilities (including water, sewer, oil, gas, gas or oil derivatives, electric, hydrogen, and communications).

To administer the cooperative agreement that creates an RTIP, current law requires the creation of a governing board made up of a county commissioner and county engineer from each participating county, or their designees. The bill expands the governing board's membership to require the participation of the Chief Executive Officer (CEO) of the JobsOhio network partner that covers the majority of the area encompassed by the RTIP, or that CEO's designee.

Finally, the bill expands the types of RTIPs that may form a transportation financing district from only those that were undertaken before March 23, 2018, to any qualified RTIP. A transportation financing district is a designated area in which improvements are exempted from property taxes for a period of time in exchange for making payments in lieu of taxes to fund the RTIP infrastructure.

Drones for First Responders Pilot Program

(Sections 411.10, 411.20, and 755.20)

The bill requires the Director of Transportation (ODOT Director) to establish a Drones for First Responders Pilot Program, to be administered by the Department of Transportation (ODOT). The program must focus on the following goals:

- Acquiring unmanned aerial vehicle systems (UAVS) for first responders (law enforcement, fire departments, and emergency medical service organizations) within municipal corporations;
- Providing training on the operation of UAVS to those first responders;
- Obtaining approval from the Federal Aviation Administration (FAA) for beyond visual line of sight operations (BVLOS) for purposes of the program;
- Integrating existing UAVS and state infrastructure for purposes of BVLOS under the program;
- Collecting metrics for cost-benefit analyses related to the advanced UAVS operations;
- Developing a comprehensive approach for community acceptance and integration of UAVS; and
- Standardizing the approval process with the FAA for UAVS operators in Ohio.

The ODOT Director, in addition to establishing any administrative procedures and requirements for the program, must establish a process to award money to the legislative authority of municipal corporations willing to participate. The money awarded must be used towards the purchase of UAVS, training, and the other goals of the program. Any UAVS purchased

through the program must comply with the federal laws and regulations for those systems, including those involving national security. Thus, the UAVS (including their components, services, or maintenance) cannot originate from a country or entity that has been named a national security risk and must comply with other federal conditions on technology and defense spending.

Two years after the bill's effective date, the ODOT Director must submit a report to the Governor, the Speaker of the House, the Senate President, the Minority Leaders of both chambers, and the Chairs of any transportation-related committees. The report must detail how funds were spent in the program, the success of the program in meeting its goals, the cost-benefit analyses created, and any recommendations for additional integration of UAVS operations by first responders.

Midwest Interstate Passenger Rail Compact

(R.C. 4981.36 and 4981.361; Section 203.21)

The bill ratifies the Midwest Interstate Passenger Rail Compact, of which Ohio was a party state beginning in 2002 until its withdrawal in 2013. The Compact is a multi-state agreement that allows joint or cooperative action to do all of the following:

1. Promote development and implementation of improvements to intercity passenger rail service in the Midwest;

2. Coordinate interaction among Midwestern state elected officials and their designees on passenger rail issues;

3. Promote development and implementation of long-range plans for high-speed rail passenger service in the Midwest and among other U.S. regions;

4. Work with the public and private sectors at the federal, state, and local levels to ensure coordination among the various entities having an interest in passenger rail service and to promote Midwestern interests regarding passenger rail; and

5. Support efforts of transportation agencies involved in developing and implementing passenger rail service in the Midwest.

Background and Compact formation and withdrawal

The Compact was formed in 2000 when the first three states codified the Compact into their respective laws. Ohio initially ratified the Compact in 2002 and appointed members to serve on the Midwest Interstate Passenger Rail Commission (MIPRC). However, Ohio repealed the Compact's ratification in 2013 and is no longer a member state. In order for a state, such as Ohio, to withdraw from the Compact, the state must enact a statute repealing the Compact's codification. The withdrawal takes place one year after the effective date of the repeal. A withdrawing state is liable for any obligations which it may have incurred prior to the effective date of the withdrawal.

Current MIPRC members are Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, and Wisconsin. In addition to Ohio, Iowa, Nebraska, and South Dakota are eligible to join the Compact via ratification. A state formally joins the Compact when its legislature

codifies the Compact. Any amendments to the Compact are effective when they are enacted by the legislatures of all member states.

MIPRC

Membership

Pursuant to the Compact, Ohio will appoint new members to MIPRC. MIPRC consists of four resident members (also known as "Commissioners") of each state as follows:

- The Governor or the Governor's designee, who serves during the Governor's tenure or until a successor is named;
- One member of the private sector who is appointed by the Governor and serves during the Governor's tenure or until a successor is named;
- Two legislators, one from each chamber (or two legislators from any unicameral legislature), who serve two-year terms or until successors are appointed. These members are appointed by the appropriate appointing authority in each legislative chamber.

Under the Compact, MIPRC member appointments, terms of office, provisions for removal and suspension, and the manner of appointment to fill vacancies are determined by each member state pursuant to its laws. MIPRC members serve without compensation from MIPRC. Any member appointed to fill a vacancy serves until the end of the incomplete term. Each member state has equal voting privileges, as determined by MIPRC bylaws.

Accordingly, the bill requires the Governor to appoint two members to MIPRC. It also requires the Speaker of the House and the Senate President to each appoint one member from their respective chambers. However, those two legislative appointees cannot be from the same political party. The bill specifies that serving as a MIPRC member does not constitute holding public office or position of employment under Ohio law and does not constitute grounds for removal of public officers or employees from their offices or positions of employment.

Each appointing authority may remove a member for misfeasance, malfeasance, or willful neglect of duty. While members serve without compensation, they may be reimbursed for the reasonable expenses incurred by them in the discharge of their MIPRC duties.

Officers

The Compact requires MIPRC to annually elect a Chairperson, Vice-Chairperson (who must be from a different state than the Chairperson), and others as approved in the MIPRC bylaws. Officers perform functions and exercise the powers as are specified in the bylaws.

Meetings

Under the Compact, MIPRC must meet at least once in each calendar year and at any other time determined by MIPRC. MIPRC business must be conducted in accordance with the procedures and voting rights specified in the bylaws.

Duties and powers

The Compact specifies that MIPRC's duties (requirements) and powers (authorizations) are as follows:

Duties

- Advocate for the funding and authorization necessary to make passenger rail improvements a reality for the Midwest Region;
- Identify and seek to develop ways that states can form partnerships, including with rail industry and labor, to implement improved passenger rail in the region;
- Seek development of a long-term, interstate plan for high-speed rail passenger service implementation;
- Cooperate with other agencies, regions, and entities to ensure that the Midwest is adequately represented and integrated into national plans for passenger rail development;
- Adopt bylaws governing the activities and procedures of MIPRC and addressing, among other subjects: the powers and duties of officers, the voting rights of MIPRC members, voting procedures, MIPRC business, and any other purposes necessary to fulfill its duties;
- Expend funds as required to carry out MIPRC's powers and duties; and
- Report on MIPRC activities to the legislatures and Governor of the member states on an annual basis.

Additional powers

- Provide multistate advocacy necessary to implement passenger rail systems or plans, as approved by MIPRC;
- Work with local elected officials, economic development planning organizations, and similar entities to raise the visibility of passenger rail service benefits and needs;
- Educate other state officials, federal agencies, other elected officials and the public on the advantages of passenger rail as an integral part of an intermodal transportation system in the region;
- Work with federal agency officials and members of Congress to ensure the funding and authorization necessary to develop a long-term, interstate plan for high-speed rail passenger service implementation;
- Make recommendations to members' states;
- If requested by each state participating in a particular project and under the terms of a formal agreement approved by the participating states and MIPRC, implement or provide oversight for specific rail projects;
- Establish an office and hire staff as necessary;
- Contract for or provide services;
- Assess dues, in accordance with the terms of the Compact;
- Conduct research; and

- Establish committees.

MIPRC financing

The Compact specifies that member states must appropriate money to MIPRC as necessary to finance its general operations in carrying forth its duties, responsibilities, and powers. Each member state must contribute an equal portion for MIPRC's operation, but the Compact does not require a member state to participate in financing a rail project unless provided by that state's law.

MIPRC may accept donations, gifts, grants, appropriated money, equipment, supplies, materials, and services, for any of its purposes and functions, from any of the following:

- The federal government;
- Any member state, including any member state department, agency, or municipality; and
- An institution, person, firm, or corporation.

All expenses incurred by MIPRC in executing its duties must be paid by MIPRC out of the funds available to it. However, MIPRC cannot issue any debt instrument. MIPRC must submit to the officer designated by the laws of each member state, periodically as required by the laws of each member state, a budget of its actual past and estimated future expenditures.

Other Compact terms

Default, termination, and reinstatement

The Compact specifies that if any member state defaults in the performance of any of its obligations, assumed or imposed, all rights, privileges, and benefits conferred by the Compact or agreements pursuant to it are suspended from the effective date of the default as fixed by MIPRC. MIPRC must stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status.

If the member state does not remedy their default under the stipulations and within the time period set forth by MIPRC, an affirmative vote of a majority of the other MIPRC members may terminate the defaulting state's participation in the Compact and Commission. However, the defaulting state may be reinstated if MIPRC votes to do so, and the state performs all acts and obligations as stipulated by MIPRC.

Construction and severability

The Compact is severable and if any phrase, clause, sentence, or provision of it is declared to be contrary to any member state's constitution or the U.S. Constitution, or if a court finds a provision to be invalid, the validity of the remainder of the Compact and the applicability is not affected. If the Compact is held contrary to a member state's constitution, the Compact remains in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of the Compact are to be liberally construed to effectuate its purposes.

Appropriation

The bill earmarks $25,000 in both FY 2026 and FY 2027 from the GRF (ALI 776465, Rail Development) in ODOT's budget to pay the costs associated with Ohio joining the Compact.

TREASURER OF STATE

Prohibit ideological investment decisions

- Prohibits investing public money with the primary purpose of influencing environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law.

Homeownership Savings Linked Deposit Program

- Requires the report on the Homeownership Savings Linked Deposit Program from the Treasurer of State (TOS) to include the average premium savings rate paid on the accounts, rather than the average yield on the accounts.

Ohio ABLE accounts

- Exempts funds in an ABLE account from collection under the Ohio Medicaid Estate Recovery Program to the extent permitted under federal law.
- Requires the TOS to pay account fees associated with an ABLE account on behalf of an Ohio account owner or beneficiary.

Payment by check

- Permits the TOS to make a payment using a check.
- Defines a "check" as a negotiable financial instrument, payable upon demand, directing a financial institution to transfer money from the payer's account to the payee.

Investment in certificates of deposit (CDs)

- Repeals a law, which largely duplicates another, regarding investment of interim moneys in federally insured certificates of deposit (CDs).

Satellite offices

- Repeals authorization for TOS to open receiving offices for the payment of taxes and fees.

Crime Victims Recovery Fund

- Removes the responsibility of TOS to credit revenue to the Crime Victims Recovery Fund.

Assurance fund

- Eliminates the Torrens Law Assurance Fund and all related statutory content.

Technical correction regarding inactive accounts

- Removes an outdated reference to inactive accounts regarding TOS's statement of balances upon the request of the Governor or OBM Director.

Prohibit ideological investment decisions

(R.C. 135.143, 135.1411, and 135.35)

The bill prohibits any of the following from making an investment decision with the primary purpose of influencing environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law:

- The Treasurer of State (TOS);
- The treasurer of a municipal corporation;
- The governing board of a municipal corporation;
- The investing authority of a county.

Furthermore, if any of the persons or entities described above delegate the management of the investment of public money to a third party, the bill prohibits the persons or entities from permitting the third party to make investment decisions with state money with the primary purpose of influencing any environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law.

In addition, the bill prohibits the State Board of Deposit (BDP) from ordering TOS to sell or liquidate investments or deposits with the primary purpose of influencing any environmental, social, personal, or ideological policy unless expressly authorized by Ohio law.

Homeownership Savings Linked Deposit Program

(R.C. 135.71)

The bill changes an existing reporting requirement for a report on the Homeownership Savings Linked Deposit Program, due from TOS and the Tax Commissioner to the Governor and General Assembly by January 31, 2027.

The program is designed to make home ownership more attainable by making available premium rate savings accounts for the down payment and closing costs associated with the purchase of a home. Continuing law requires TOS and Tax Commissioner to issue a report regarding the efficacy of the program, including the number of accounts created and the total amount contributed to the accounts, as well as the number of participating savings institutions.

Current law also requires the report to include the average yield on the accounts. The bill changes this to the average premium savings rate paid on the accounts.

Ohio ABLE accounts

(R.C. 113.51 and 113.53)

An Achieving a Better Life Experience (ABLE) account is a tax-exempt account created by the federal Internal Revenue Service (IRS), and established by the state, to help individuals with disabilities pay for the cost of qualified disability expenses. In Ohio, the program authorizing and overseeing ABLE accounts is administered by TOS. Current law authorizes TOS to impose and collect administrative fees and charges associated with an ABLE account. The bill requires TOS to pay these account fees on behalf of an Ohio account owner or beneficiary.

Additionally, the bill exempts funds in an ABLE account from the Ohio Medicaid Estate Recovery Program, to the extent permitted under federal law. The Medicaid Estate Recovery Program is a mechanism by which the state seeks to recoup funds spent on Medicaid services from the estates of certain deceased Medicaid recipients, in accordance with federal law,[168] which requires states to recover the following amounts from an estate:

- Expenses for nursing facility services, home and community-based services, and related hospital and prescription services paid on behalf of a Medicaid recipient over age 55;
- All medical assistance paid on behalf of a Medicaid recipient receiving long-term services and supports in a facility permanently (referred to as "permanently institutionalized" individuals).

States may elect to apply estate recovery under additional circumstances, for example, by recovering all medical assistance paid on behalf of a Medicaid recipient over age 55, not just for nursing facility and associated expenses as described above. ODM has elected to exercise that option. Because federal law requires states to exercise Medicaid estate recovery for the amounts described above, despite the bill's prohibition, it appears that ABLE accounts would remain recoverable under the Medicaid Estate Recovery Program against certain individuals; however, the bill's prohibition would apply regarding other individuals currently subject to Medicaid estate recovery by state option.

Payment by check

(R.C. 131.01)

The bill permits TOS, when an order has been drawn upon TOS by an authorized state entity to pay a specified amount to one or more specified payees, to pay using a check. This is in addition to the continuing law payment methods of paper warrants, stored value cards, direct deposit to the payee's bank account, or the drawdown of funds by electronic benefit transfer.

The bill defines "check" under the relevant law as a "negotiable financial instrument, payable upon demand, directing a financial institution to transfer money from the payer's account to the payee."

Investment in certificates of deposit (CDs)

(R.C. 135.18; R.C. 135.144, repealed)

The bill repeals a law that largely duplicates another law regarding investment of interim moneys in federally insured certificates of deposit (CDs).[169] As CDs are still purchasable under R.C. 135.145, the only effect of the statute's repeal is the pledging requirements attached to

[168] 42 U.S.C. 1396p(b).

[169] R.C. 135.145, not in the bill.

deposits; namely, if the amount held by the bank exceeds the amount insured by the federal deposit insurance corporation, the excess amount is subject to specific pledging requirements.[170]

The continuing law section is broader and can be used to accomplish what is in the repealed provision. The repealed provision is strictly for the purchase of CDs by public depositories using interim moneys. The CDs can be purchased from depositories that are not public depositories as long as the CD principal and interest is federally insured.

Continuing law, on the other hand, allows a public depository to redeposit money into other depositories that are federally insured (and are not public depositories). This includes interim money as well as active and inactive deposits. It is the same as the repealed provision, except the deposit and interest need to be insured and are subject to pledging requirements. This can include purchasing a CD but also includes a checking or savings account and other deposit accounts.

Satellite offices

(R.C. 113.05; R.C. 113.06, repealed)

The bill repeals law permitting TOS to open receiving offices as necessary for the expedient collection of taxes and fees. The provision requires these offices to have adequate security and open the offices in counties exceeding one million in population only. It permits TOS to appoint a financial institution as the TOS's agent or deputy to collect taxes or fees and permits the TOS to make deposits with these institutions.

Crime Victims Recovery Fund

(R.C. 2969.13)

Ohio law established the Crime Victims Recovery Fund where all moneys paid in satisfaction of certain fines imposed upon an offender by a sentencing court are deposited. Any interest earned on the money in the fund is also credited to the fund.

Under current law, it is the duty of TOS to credit money collected to the fund. However, current practice is that courts remit funds collected for the Crime Victims Recovery Fund directly to the Ohio Supreme Court, and the Clerk of the Ohio Court of Claims administers the fund.

This bill removes the responsibility of TOS to credit revenue to the Crime Victims Recovery Fund so the Revised Code more accurately reflects the current practice of the courts.

Assurance fund

(R.C. 5310.05, 5310.06, 5310.07, 5310.08, 5310.09, 5310.10, 5310.11, 5310.12, 5310.13, and 5310.14, repealed; R.C. 5310.47)

The bill eliminates the Torrens Law Assurance Fund previously used by TOS to compensate owners of registered land who suffer damages or are otherwise deprived of their land due to fraud, mistake, or error relating to the registration.

[170] Located in R.C. 135.18, 135.181, and 135.182.

Technical correction regarding inactive accounts

(R.C. 113.13)

The bill removes an outdated reference to inactive accounts regarding TOS's statement of balances. Continuing law requires TOS, upon the request of the Governor or OBM Director, to transmit the amount in an active account and amount of cash on hand.

DEPARTMENT OF VETERANS SERVICES

Clinician Recruitment Program

- Replaces the Physician Recruitment Program with the Clinician Recruitment Program and expands program eligibility.
- Establishes new eligibility requirements for the program.
- Makes changes to the required contract terms.
- Permits the Director of Veterans Services (DVS Director) to allocate funds.

Resident benefit funds

- Eliminates the requirement that the Superintendent of the Ohio Veterans' Homes establish rules for the operation of the residents' benefit funds.

Veteran peer counseling network

- Eliminates the Veteran Peer Counseling Network.

Claims register

- Eliminates the DVS Director's duty to keep a register of all claims filed by DVS.

Clinician Recruitment Program

(R.C. 5907.17)

Eligibility

The bill renames the existing Physician Recruitment Program as the Clinician Recruitment Program. The change in name reflects the bill's expansion of program eligibility from just physicians to physicians, advanced practice registered nurses, licensed practical nurses, physician's assistants, registered nurses, registered nurse aides, and any Ohio Veterans' Home employee who is a licensed medical professional in Ohio and is not exempt from a student loan program under a union contract or other law.

To be eligible for the program under the bill, a clinician must:

- Be licensed in Ohio by an appropriate licensing authority and work in that discipline at an Ohio Veterans' Home;
- Have worked at an Ohio Veterans' Home for at least one year;
- Not have been subject to formal discipline while employed at an Ohio Veterans' Home;
- Provide sufficient evidence to determine that the clinician attended a school or medical program accredited by a national or regional accrediting organization; and
- Agree to the terms of the contract provided under the provision.

These eligibility requirements replace existing, physician-specific requirements.

Contract

The bill makes changes to the terms of the contract to require clinicians to agree to maintain appropriate licensure and to provide services for a specified number of years of one or more years.

Scope of program

The bill changes the category of individuals served by the program to "residents of the Ohio veterans' homes." Under existing law, the category of individuals served by the program are "patients of one or more specified institutions administered by the department (of veterans services)" (DVS).

Allocation of funds

The bill permits the DVS Director or a designee to allocate funds among clinicians recruited under the program for any purpose considered necessary to best serve clinician staffing needs.

Resident benefit funds

(R.C. 5907.11)

The bill eliminates the requirement that the Superintendent of the Ohio Veterans' Homes establish rules for the operation of the residents' benefit funds. Under continuing law, the Superintendent may, with the approval of DVS, establish local funds for each veterans' home. Each fund must be used for the entertainment and welfare of the residents and is operated for the exclusive benefit of the residents of the associated home. The funds generate revenue from donations and the sale of commissary items at the associated home.

Veteran peer counseling network

(R.C. 5902.20)

The bill eliminates the Peer Counseling Network and the DVS Director's duty to adopt rules for it. Under current law, the Veteran Peer Counseling Network offers Ohio veterans the opportunity to work with other veterans to help overcome issues unique to veterans. The DVS Director is charged with adopting rules to administer the Network.

Claims register

(R.C. 5902.06)

The bill eliminates the DVS Director's duty to keep a register showing the situation and disposition of any claim filed by DVS. Current law requires the DVS Director to keep such a register.

DEPARTMENT OF YOUTH SERVICES

- Requires a convicted felon who is under 18 years old at the time a sentence is executed to be committed to the Department of Youth Services (DYS) and assigned to an institution within DYS until the felon turns 18 or until other conditions are met.

Youth felons in DYS facilities

(R.C. 2949.12)

The bill requires a convicted felon who is under 18 years old at the time a sentence is executed to be committed to the Department of Youth Services (DYS) and assigned to an institution within DYS. Within five days after sentencing (excluding Saturdays, Sundays, and legal holidays), the sheriff of the county in which the conviction occurred must deliver the felon to the DYS-designated facility. For such a conviction to occur under continuing law, the felon must have been bound over from the juvenile court and convicted as an adult of a felony offense. Upon delivering the felon to the DYS facility, the sheriff is required to present the managing officer with a copy of the sentence, a copy of the indictment, and a copy of the certification binding the felon over from the juvenile court to the court of common pleas.

A felon who is delivered to a DYS-designated facility under this provision must be held in the facility until the felon attains the age of 18, until the felon's prison term expires, until the felon is pardoned, paroled, or placed on post-release control, until DYS in the discretion of the Director, lacks the capacity to house the felon, or until the felon is transferred under laws permitting the transfer of prisoners. The bill requires a felon delivered to a DYS facility to be transferred to the Department of Rehabilitation and Correction (DRC) and committed to a DRC facility for the remainder of the felon's sentence when the felon attains the age of 18 or when the felon, because of a rule violation or violations, is determined by DYS to be a danger to self or others. At the time of a transfer to DRC, the sheriff must present the managing officer with a copy of the sentence, a copy of the indictment, and a copy of the certification from the juvenile court to the court of common pleas.

LOW-INCOME UTILITY ASSISTANCE AND BLOCK GRANTS

Federal block grant funds

- Transfers powers and duties to administer Community Services Block Grant funds from the Department of Development (DEV) to the Department of Job and Family Services (JFS) while leaving the powers and duties unchanged.
- Aligns current law requiring the General Assembly to hold public hearings regarding the Community Services Block Grant funds with federal law requirements.
- Transfers, from DEV to JFS, the requirement to submit a waiver to the federal government for use of federal low-income home energy assistance programs (HEAP) funds from the home energy assistance block grants for weatherization purposes.

Low-income customer assistance program administration

- Transfers from the DEV Director to the JFS Director the administration of the low-income customer assistance programs and the consumer education program beginning on July 1, 2026, and the energy efficiency and weatherization program.

Electric Partnership Plan Fund

- Replaces the Universal Service Fund with the Electric Partnership Plan (EPP) Fund to provide funding for the low-income customer assistance and consumer education programs.
- Requires the EPP fund to consist of (1) amounts allocated to each electric distribution utility (EDU) for consumer education programs and (2) any amount necessary to fund administrative costs of the low-income customer assistance programs.

Percentage of Income Payment Plan (PIPP) rider

- Beginning January 1, 2026, replaces the Universal Service rider with the PIPP rider on retail electric distribution rates as determined by the Public Utilities Commission (PUCO).
- Requires the PIPP rider to recover (1) the prudently incurred costs of providing the PIPP program for each EDU, (2) the EDUs' allocated shares for funding the low-income customer assistance programs administered by JFS, according to each EDU's annual distribution service revenues, and (3) any amount necessary to fund administrative costs of the low-income customer assistance programs.
- Requires each EDU's allocation to include a separately designated allocation equal to the EDU's share of the total amount for all EDUs not to exceed $15 million annually for funding the consumer education program.
- Requires each EDU, by June 30 each year, to remit to JFS the EDU's allocated share for the consumer education program and the administrative costs of the low-income customer assistance programs.

- Requires PUCO to administer the PIPP rider and perform periodic audits of each EDU's PIPP rider.
- Requires PUCO to adopt rules for the administration of the PIPP rider and to cooperate with, and provide assistance to, the JFS Director regarding low-income customer assistance program administration.
- Requires PUCO (instead of DEV) to establish a competitive procurement process for the supply of competitive retail electric service for PIPP program customers and to aggregate program customers for this purpose.

Public Advisory Board

- Adds the JFS Director to the Public Advisory Board (replacing the DEV Director) and requires the Board to advise the JFS Director.
- Limits the Board's duties to advising the JFS Director regarding the low-income customer assistance programs.
- Repeals the Board duty to give advice regarding the Universal Service Fund and Rider and the Advanced Energy Program and Advanced Energy Fund and repeals its advisory powers and duties regarding economic development and stability, energy, and pollution matters in Ohio under the program.
- Eliminates reimbursements to Board members for expenses incurred for the Advanced Energy Program.

Expired revenue sources for Advanced Energy Fund

- Repeals the following regarding Advanced Energy Fund revenue:
  - The expired temporary Advanced Energy Rider collected by EDUs and their remittance to the Advanced Energy Fund;
  - The ten-year limitation on remittance requirements for the temporary Advanced Energy Rider;
  - The expired quarterly remittance and timing requirements for revenues from (1) payments, repayments, and collections under the Advanced Energy Program and from program income and (2) collections by an Ohio municipal electric utility or electric cooperative participating in the Advanced Energy Fund.
- Repeals the requirements regarding the use of money collected in rates, as of October 5, 1999, for non-low-income customer energy efficiency programs.

Repeal of obsolete reports

- Repeals requirements for reports with due dates that have passed.

Federal block grant funds

(R.C. 122.66(5101.311), 122.67(5101.312), 122.68(5101.313), 122.681(5101.314), 122.69(5101.315), 122.70(5101.316), 122.701(5101.317), 122.702(5101.318) (renumbered and amended), and 4928.75; R.C. 121.22, 122.1710, 307.985, 2915.01, 3701.033, and 5101.101 (conforming changes))

Community Services Block Grant

The bill transfers, from DEV to JFS, the powers and duties to administer Community Services Block Grant funds and programs. The bill leaves unchanged those transferred powers and duties, including administering all federal funds apportioned to the state via the "Community Services Block Grant Act," designating "community action agencies" to receive funds, and various other duties.

The bill requires the General Assembly to conduct public hearings regarding the grant funds, as required in federal law. Current law specifies these General Assembly hearings must be held each year on "the proposed use and distribution" of the grant funds as required under federal law.

Weatherization services

The bill transfers, from DEV to JFS, the requirement to submit a completed waiver request every fiscal year, in accordance with federal law, for the state to expend 25% of federal low-income home energy assistance program funds from the home energy assistance block grants for weatherization services allowed under federal law.

Low-income customer assistance program administration

(R.C. 4928.53, 4933.55, and 4928.56; R.C. 4928.34 and 4928.43 (conforming change))

The bill transfers the administration of existing low-income customer assistance programs from the DEV Director to the JFS Director beginning July 1, 2026. Under ongoing law, "low-income customer assistance programs" are the percentage of income payment plan program (PIPP), the home energy assistance program (HEAP), the home weatherization assistance program (HWAP), and the targeted energy efficiency and weatherization program.[171]

The bill also transfers from DEV to JFS the authority for the Director to establish (1) a consumer education program for customers who are eligible to participate in the low-income customer assistance programs and to adopt rules for the consumer education program and (2) an energy and efficiency and weatherization program targeted to high-cost, high-volume use structures occupied by customers who are eligible to participate in the PIPP program. With the transfer, the JFS Director is responsible for the administration and coordination of these programs and the duty to provide, to the maximum extent possible, for efficient program administration and a one-stop application and eligibility determination process for consumers. However, the bill expressly excepts the PIPP rider from JFS administration.

[171] R.C. 4928.01(A)(16).

Under the bill, the JFS Director must adopt rules to ensure the effective and efficient administration of the low-income customer assistance programs and has the authority to adopt rules for the PIPP program, including rules for customer eligibility and payment and credit policies. The JFS Director also has the rulemaking authority as is conferred on the DEV Director for the Ohio Energy Credit Program.

The bill repeals the following Universal Service Fund and PIPP program provisions:

- The DEV Director's authority to adopt rules establishing procedures for disbursing funds to suppliers and administering certain funds and requirements for remittances to the DEV Director for (1) customer payments under the PIPP program and (2) revenues from a municipal electric utility or electric cooperative that decided to participate in the PIPP program;
- The provision specifying that the DEV Director's rulemaking authority excludes the authority to prescribe service disconnection, customer billing policies, and procedures to address complaints against PIPP program suppliers, which is authority exercised by PUCO in coordination with the DEV Director. (It is not clear if this repeal will affect PUCO duties regarding procedures for these activities and whether this repeal is merely intended to be limited to the removal of the DEV Director from this role.)
- The transfer from electric distribution utilities (EDUs) to the DEV Director the right to collect all customer arrearage payments for PIPP program debt;
- The initial (and completed) requirement that the DEV Director's initial PIPP program rules must incorporate eligibility criteria and payment responsibility policies established in PUCO rules in effect when the PIPP program administration was transferred to DEV effective with the enactment of S.B. 3 of the 123rd General Assembly in 1999.

Electric Partnership Plan Fund

(R.C. 4928.51; R.C. 4928.66 and 5117.07 (conforming changes))

The bill establishes in the state treasury the Electronic Partnership Plan (EPP) Fund as the depository and funding source for paying for the low-income customer assistance programs and administrative costs of these programs and the consumer education program. A portion of the revenues collected under the PIPP rider (see "**Percentage of Income Payment Plan (PIPP) Rider**") must be remitted to the JFS Director and deposited in the EPP Fund. The EPP Fund replaces the Universal Service Fund which the bill repeals.

Percentage of Income Payment Plan (PIPP) Rider

(R.C. 4928.52, 4928.54, 4928.543, 4928.544, and 4928.545; R.C. 4928.34 and 4928.542 (conforming changes))

Beginning January 1, 2026, the bill replaces each EDU's existing universal service rider with the PIPP rider it establishes. Under the bill, PUCO must administer the rider and must perform periodic audits of each EDU's rider. PUCO must adopt rules for rider administration and must cooperate with, and provide assistance to, the JFS Director as required for the Director's administration of the low-income customer assistance program.

Revenues collected under the PIPP rider

The PIPP rider is a rider on retail electric distribution service rates as rates are determined by PUCO under the competitive retail electric service law. Under the bill, the PIPP rider must recover the following:

- The prudently incurred costs of providing the PIPP rider for each EDU;
- The total of the EDUs' allocated shares as determined by PUCO as described below;
- Any additional amount necessary and sufficient to fund through the rider the administrative costs of the low-income customer assistance programs.

PUCO determined allocation for each EDU

Under the bill, PUCO must allocate to each EDU a share of the funding for low-income customer assistance programs administered by the JFS Director following the transfer of program administration from DEV. Each EDU share must be allocated according to each EDU's annual distribution service revenues and must include a separately designated allocation for the EDU's share of consumer education program funding. The bill specifies that a total not to exceed $15 million annually must be allocated among all EDUs for the consumer education funding.

The bill applies to the PIPP rider the same requirement in place for the universal service rider that the rider must be set so that it does not shift the cost of funding low-income customer assistance programs among EDU customer classes.

EDU remittances for deposit in the EPP Fund

Annually on June 30, each EDU must remit to JFS for deposit in the EPP Fund, the EDU's share of the following:

- The EDU's allocation for funding the consumer education program; and
- The costs for the administration of the low-income customer assistance programs.

The bill does not expressly state what occurs with funds collected under the PIPP rider for EDUs' prudently incurred PIPP costs. Presumably, under the PUCO rulemaking authority regarding PIPP rider administration, PUCO could determine whether the funds that EDUs collect for this purpose could be retained by each EDU to cover their PIPP rider costs.

Customer aggregation for electric service procurement process

The bill transfers from the DEV Director to PUCO the duty to aggregate PIPP Program customers for the purpose of conducting auctions for the ongoing competitive procurement process for the supply of competitive retail electric service for these customers. It retains the same process requirements as current law. The bill also requires PUCO rather than the DEV Director to adopt rules for a fair and unbiased auction process.

The bill repeals the requirement that PUCO design, manage, and supervise the competitive procurement process "upon the written request by the DEV Director." It also repeals the requirement that the DEV Director reimburse PUCO for its procurement process costs.

Public Advisory Board

(R.C. 4928.58 and 4928.63)

The bill replaces the DEV Director as a member of the Public Advisory Board with the JFS Director and requires the Board to advise the JFS Director. Under ongoing law, the purpose of the 21-member Board is to ensure that energy services are provided to Ohio's low-income consumers in an affordable manner consistent with the state retail electric service policies, including among others, the policy to ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service.[172]

Under the bill, the Board must advise the JFS Director instead of the DEV Director regarding the low-income customer assistance programs. It repeals the Board's duty to give the DEV Director advice regarding the Universal Service Fund and the appropriate level of the Universal Service Rider, both of which are repealed by the bill.

Repealed by the bill are the Board's advisory powers and duties regarding the Advanced Energy Fund and the Advanced Energy Program. Under ongoing law, the DEV Director retains the power and duty to assist with economic development and stability, energy, and pollution matters in Ohio under the program. The bill also eliminates reimbursements to Board members for expenses incurred for the Advanced Energy Program.

Expired revenue sources for Advanced Energy Fund

(R.C. 4928.61; R.C. 4928.34 and 4928.62 (conforming changes))

The bill repeals the following regarding Advanced Energy Fund revenue:

- The expired temporary Advanced Energy Rider collected by EDUs and their remittance to the Advanced Energy Fund;
- The ten-year limitation on remittance requirements for the temporary Advanced Energy Rider;
- The expired quarterly remittance and timing requirements for revenues from (1) payments, repayments, and collections under the Advanced Energy Program and from Program income and (2) collections by an Ohio municipal electric utility or electric cooperative participating in the Advanced Energy Fund.
- The requirements regarding the use of money collected in rates, as of October 5, 1999, for non-low-income customer energy efficiency programs.

Repeal of obsolete reports and requirements

(R.C. 4928.06, 4928.57, 4928.581, 4928.582, and 4928.583)

The bill repeals requirements for reports (described below) with due dates that have passed.

[172] R.C. 4928.02.

Report on effectiveness of competition in electric supply

The bill repeals the biennial reports regarding the effectiveness of competition in the supply or competitive retail electric service in Ohio that the PUCO and the Office of the Consumers' Counsel (OCC) were required to provide to the standing committees of the General Assembly with primary jurisdiction regarding public utility legislation until 2008.

Under a related but obsolete law, the standing committees of the General Assembly with primary jurisdiction regarding public utility legislation were required to meet at least biennially to consider the effect of electric service restructuring on Ohio and to receive reports from the PUCO, OCC, and the DEV Director until the end of all market development periods under the competitive retail electric service law. The market development periods have ended, and the bill repeals this provision.

Low-income customer assistance/advanced energy program report

The DEV Director was required to provide a report on the effectiveness of the low-income customer assistance programs and the consumer education program and the advanced energy program every two years until 2008 to the standing committees of the General Assembly that deal with public utility matters. The bill repeals this reporting requirement.

Report on revenue for low-income customer assistance programs

Repealed under the bill are the Public Benefits Advisory Board annual report that included, for each EDU, the annual amount of revenue collected from customers for the purpose of supporting the Universal Service Fund and the low-income customer assistance programs, as well as forecast of those amounts that were to be collected in 2016, 2017, and 2018, and the requirement that the Board, from 2015 to 2018, submit the report to the Governor, Senate President, Speaker of the House, and others.

Regarding these Board reports, the bill also repeals the authority for the Board to obtain professional services as the board determines appropriate and the requirement that the DEV Director, PUCO, and each EDU promptly respond to requests by the Board for information needed to prepare the report.

PUBLIC RECORD AND OPEN MEETING PROVISIONS

Public records changes

Automated license plate recognition systems

- Exempts images and data captured by an automated license plate recognition system that are maintained in a law enforcement database from the Public Records Law.

Specific investigatory work product

- Modifies the definition of specific investigatory work product that is protected from public records request disclosure.

Attorney work product records

- Creates an exemption under the Public Records Law for attorney work product records.

Trial preparation records

- Clarifies that trial preparation records are exempt from the Public Records Law 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.
- Specifies that a trial preparation record is any record that is not a confidential law enforcement investigatory record or attorney work product record.

Inmate records

- Restates that records pertaining to inmates committed to DRC and persons under Adult Parole Authority supervision are not public records, unless specifically exempted.

Victim statements

- Specifies that written and oral statements provided by victim or victim's representative to DRC in connection with the pendency of any pardon, commutation, or parole are confidential and privileged statements, are not public records, and are not subject to subpoena or discovery.
- Prohibits the victim statements specified above from being admissible as evidence in any action.

Personal notes

- Exempts the personal notes of a public official or a public employee, or of an attorney acting in an official capacity on behalf of the official or employee.

Assisted devices or applications

- Exempts a record created using an assistive device or application, when the record is used, maintained, and accessible only to the individual creating the record or causing the record to be created.

Video public records

- Authorizes a prosecuting attorney's office to assess certain charges for preparing a video public record.
- Prohibits a state or local law enforcement agency or a prosecuting attorney's office from charging a victim a fee for a video public record.

ABLE account records

- Exempts from Public Records Law any record of the Treasurer of State indicating ABLE account beneficiaries, balances, and activity on ABLE accounts.

Procurement law and public records

- Clarifies that all documents related to a competitive selection (including competitive sealed bidding, competitive sealed proposals, reverse auctions, and electronic procurement) are not public records until after the contract has been awarded.
- Eliminates law that specifies such documents are public records after a competitive selection is cancelled.

Notice of open meeting on public body's website

- Changes the requirement that a public body must establish, by rule, a reasonable method to provide notice to the public of the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings to instead require the method to be on the public body's website.
- Specifies that any advance notification may include electronically mailing the agenda of meetings to all subscribers on an electronic mailing list.
- Removes the reference of making an advance notification using self-addressed, stamped envelopes provided by a person requesting an advanced notice.

Public records changes

The bill includes a number of new or revised exceptions to the Public Records Law. Although some are discussed in context of larger provisions above, several are addressed in this chapter together.

Automated license plate recognition systems

(R.C. 149.43)

The bill exempts images and data captured by an automated license plate recognition systems (ALPRS) that are maintained in a law enforcement database from the Public Records Law. ALPRS are typically used by law enforcement agencies to capture an image of a vehicle's license plate as the vehicle passes by. The license plate image is then translated into letters and numbers using specialized software. The software assists law enforcement in identifying stolen vehicles or persons of interest.

Specific investigatory work product

(R.C. 149.43)

The bill defines "specific investigatory work product" as that term pertains to the Public Records Law to mean information assembled by law enforcement officials in connection with a probable or pending criminal proceeding.

Under continuing law, "confidential law enforcement investigatory records" are not considered public records. A record is a "confidential law enforcement investigatory record" if it pertains to a law enforcement matter of a criminal, quasi-criminal, civil, or administrative nature, but only to the extent that the release of the record would create a high probability of disclosure of certain types of information, including "specific investigatory work product."

Attorney work product record

(R.C. 149.43)

The bill creates an exemption under the Public Records Law for attorney work product record. Attorney work product record is defined as "a record created by or for an attorney in anticipation of or for litigation, trial, or administrative proceedings, when acting in an official capacity on behalf of the state, a political subdivision of the state, a state agency, a public official, or a public employee." The bill specifies that the exemption includes records that document "the independent thought processes, mental impressions, legal theories, strategies, analysis, or reasoning of or for an attorney."

Trial preparation records

(R.C. 149.43)

Continuing law exempts trial preparation records under the Public Records Law. The bill clarifies that these records are exempt 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. Additionally, the bill specifies that the exemption is any record that is not a confidential law enforcement investigatory record or attorney work product record and that contains *factual* information that is specifically compiled in reasonable anticipation of, or in defense of, a civil or criminal action or proceeding, "by or for another party or by or for that other party's representative," instead of "including the independent thought processes and personal trial preparation of an attorney," as under existing law.

Inmate records

(R.C. 149.43 and 5120.21)

The bill states that records pertaining to inmates committed to the Department of Rehabilitation and Correction (DRC) and persons under Adult Parole Authority supervision are not public records, except for the following information:

1. Name;

2. Criminal convictions;

3. Photograph;

4. Supervision status, including current and past place of incarceration;

5. Disciplinary history.

Current law further provides that except as otherwise provided by state or U.S. law, these records are also confidential and accessible only to employees. The bill modifies this to instead provide that notwithstanding any other law of the state or the United States to the contrary, these records are confidential and must be accessible to employees only. The U.S. Constitution in Article IV, Clause 2 grants federal law supremacy in situations where state and federal law come into conflict. Because federal law is above state law, a state is not able to "notwithstand" the laws of the United States. If challenged in the courts, the amendments in this provision are likely to be found unconstitutional under this principle.

Victim statements

(R.C. 149.43 and 2967.12)

The bill specifies that all written and oral statements provided by a victim or victim's representative to DRC in connection with the pendency of any pardon, commutation, or parole are confidential and privileged and are not:

- Subject to subpoena or discovery;
- Admissible in evidence in any action;
- Public records.

Personal notes

(R.C. 149.43)

The bill exempts from inspection and copying under Public Records Law the personal notes of a public official or a public employee, or of an attorney when acting in an official capacity on behalf of the public official or public employee in that public official's or public employee's official capacity, which were created for reference and convenience and are used, maintained, and accessible only to the individual creating the record or causing the record to be created.

Assistive devices or applications

(R.C. 149.43)

The bill exempts from inspection and copying under Public Records Law a record created using an assistive device or application, when the record is used, maintained, and accessible only to the individual creating the record or causing the record to be created.

Video public records

(R.C. 149.43(B))

The bill authorizes a prosecuting attorney's office to assess certain charges for preparing a video public record. Under continuing law, actual costs associated with preparing a video record for inspection or production may be charged, not to exceed $75 per hour of video produced, nor $750 total. Under current law, such fees only may be assessed by a state or local law enforcement agency.

The bill prohibits a state or local law enforcement agency or a prosecuting attorney's office from charging a fee for preparing a video record for inspection, or producing a copy of a video record, when the requester of the video record is a victim who reasonably asserts that the video recording relates to the act or omission that caused the harm or loss, or who is the legal counsel or insurer of the victim. Victim means a person against whom the criminal offense or delinquent act is committed or who is directly and proximately harmed by the commission of the offense or act. Victim does not include the accused or a person whom the court finds would not act in the best interests of a deceased, incompetent, minor, or incapacitated victim (Section 10a, Article I, Ohio Constitution).

ABLE account records not public records

(R.C. 113.51)

The bill exempts any record of the Treasurer of State indicating the account beneficiaries and the balances and activity in ABLE accounts from the Public Records Law, meaning that these records are not available to the public, by request or otherwise.

Achieving a Better Life Experience ("ABLE") accounts are tax exempt accounts created by the IRS, and established by the state, for people with disabilities to pay the costs of qualified disability expenses.

Procurement law and public records

(R.C. 9.28, 125.071, and 125.11)

The bill clarifies that all documents related to a competitive selection (including competitive sealed bidding, competitive sealed proposals, reverse auctions, and electronic procurement) are not public records until after the contract has been awarded.

The bill eliminates law that specifies such documents are public records after a competitive selection is cancelled. Therefore, under the bill, if a solicitation is cancelled before the award of a contract, the related documents do not become public records.

Notice of open meeting on public body's website

(R.C. 121.22)

The bill changes the requirement that a public body must establish, by rule, a reasonable method to provide notice to the public of the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings to instead require the method to be on the public body's website. Additionally, the bill specifies that any advance notification may include electronically mailing the agenda of the meetings to all subscribers on an electronic mailing list and removes the reference of making an advance notification using self-addressed, stamped envelopes provided by a person requesting an advanced notice.

Under the continuing Open Meetings Law, public bodies generally are required to take official action and deliberate official business only in open meetings where the public may attend and observe. A public body is any board, commission, committee, council, or similar decision-making body of a state agency, institution, or authority and any legislative authority or board, commission, committee, council, agency, authority, or similar decision-making body of any

county, township, municipal corporation, school district, or other political subdivision or local public institution.

BOARDS AND COMMISSIONS

- Abolishes various commissions, committees, and a task force.
- Abolishes the Board of Directors of the Center for Community Health Worker Excellence and abolishes the statutory authority for the Center as a public-private partnership.
- Modifies procedures for the Correctional Institution Inspection Committee to select a chairperson.
- Specifies terms and chairpersons for the Advisory Board to the Governor's Office of Faith-based and Community Initiatives.
- Codifies the MARCS Steering Committee in permanent law.
- Eliminates the requirement that the Director of Health, every two years, produce a report on rare diseases in Ohio.
- Modifies the General Assembly membership of the Student Tuition Recovery Authority.
- Removes the authority of the Speaker of the House to make a discretionary appointment to a Transportation Improvement District.
- Removes a residency requirement regarding members of the House and Senate who serve on the Ohio Turnpike and Infrastructure Commission.
- Modifies the commencement schedule for the Sunset Review Committee.
- Modifies membership of the Emergency Response Commission.

Abolition of special commissions, committees, and task forces

The bill abolishes the following entities:

Joint Committee to Examine the Activities of the State's Protection and Advocacy System and Client Assistance Program

(R.C. 5123.603, repealed)

The bill abolishes the Joint Committee to Examine the Activities of the State's Protection and Advocacy System and Client Assistance Program. This joint legislative committee was established in 2021, and issued a report of its recommendations on April 11, 2023.

Joint Committee on Property Tax Review and Reform

(Section 620.30 (Section 757.60 of H.B. 33 of the 135th G.A., repealed))

The bill abolishes the Joint Committee on Property Tax Review and Reform. The Joint Legislative Committee was established during the 135th General Assembly and issued a final report of recommendations.

Legacy Pain Management Study Committee

(Section 620.30 (Section 335.20 of H.B. 33 of the 135th G.A., repealed))

The bill abolishes the Legacy Pain Management Study Committee. The Committee was established during the 135th General Assembly to study and evaluate the care and treatment of patients suffering from chronic or debilitating pain, in particular those who have been prescribed opioids for lengthy periods of time, often referred to as legacy patients.

Nursing Facility Payment Commission

(R.C. 5165.261, repealed)

The bill abolishes the Nursing Facility Payment Commission. This Legislative Commission was established in 2021 and was required to submit a report by August 31, 2022.

Ohio Cystic Fibrosis Legislative Task Force

(R.C. 101.38, repealed)

The bill abolishes the Ohio Cystic Fibrosis Legislative Task Force. The Task Force was established in 2005.

Scholarship Rules Advisory Committee

(R.C. 3333.373, repealed; R.C. 3333.374 (conforming amendment))

The bill abolishes the Scholarship Rules Advisory Committee. The Committee provides recommendations to the Chancellor of Higher Education as to rules, criteria, and guidelines necessary and appropriate to implement certain scholarship and fellowship programs. It was established in 2000.

Task Force to Study Ohio's Indigent Defense System

(Section 630.10 (Section 6 of H.B. 150 of the 134th G.A., repealed))

The bill abolishes the Task Force to Study Ohio's Indigent Defense System. It was established in 2023 to provide recommendations to the General Assembly regarding the delivery, structure, and funding of indigent defense.

Task Force on Bail

(Section 630.20 (Section 5 of S.B. 202 of the 134th G.A., repealed))

The bill abolishes the Task Force on Bail. It was established in 2023 to collect and evaluate data regarding the usage of bail in Ohio. It was required to submit a report to the General Assembly.

Turnpike Legislative Review Committee

(R.C. 5537.24, repealed; R.C. 5537.01, 5537.03, and 5537.27 (conforming amendments))

The bill abolishes the Turnpike Legislative Review Committee. The Committee was established in 1996, and considers reports made by the Turnpike and Infrastructure Commission

including financial and budgetary matters and proposed and on-going construction, maintenance, repair, and operational projects of the Commission.

Center for Community Health Worker Excellence

(R.C. 3701.0212, repealed)

The bill abolishes the Board of Directors of the Center for Community Health Worker Excellence and abolishes the statutory authority for the Center as a public-private partnership. The Center was established in law as a public-private partnership in 2023. Its stated purpose is to support and foster the practice of community health workers and improve access to community health worker services across Ohio.

Correctional Institution Inspection Committee

(R.C. 103.71; R.C. 103.72 and 103.73, repealed and recodified; R.C. 9.07, 103.76, 103.77, and 103.78 (conforming amendments))

The bill requires the Correctional Institution Inspection Committee (CIIC) to select from its membership a chairperson and a vice-chairperson within 60 days after the commencement of the first regular session of each General Assembly.

The bill requires a majority vote of members to select a chairperson, vice-chairperson, and secretary, and requires a Senate member to be the chairperson and a House member to be the vice-chairperson during the first regular session of a general assembly and a House member to be the chairperson and a Senate member to be the vice-chairperson during the second regular session of the General Assembly.

The bill also recodifies several provisions within CIIC Law.

Governor's Office of Faith-based and Community Initiatives, Advisory Board

(R.C. 107.12)

The bill specifies that members of the House and Senate, who are appointed to serve on the Advisory Board, may serve on the Board for the duration of the General Assembly during which they were appointed.

The bill specifies that the member of the Senate must be the chairperson during the first regular session of a general assembly and the member of the House must be the chairperson during the second regular session of the General Assembly.

Multi-Agency Radio Communication System (MARCS) Steering Committee

(R.C. 4501.302; Section 620.20 (Section 363.10 of H.B. 2 of the 135th G.A.))

The bill codifies the MARCS Steering Committee and subcommittee in permanent law. The bill specifies that, upon the bill's effective date, members of the MARCS Steering Committee and the subcommittee may continue service on these committees, their terms unaffected by the codification.

Under the bill, the Steering Committee consists of the following members:

- The Directors, or designees thereof, of Administrative Services, Public Safety, Natural Resources, Transportation, Rehabilitation and Correction, and Budget and Management, and the State Fire Marshal or the State Fire Marshal's designee;
- The following members appointed by the Governor:
  - One representative of the Ohio chapter of the Association of Public Safety Communications Officials or its successor organization;
  - One representative of the Buckeye State Sheriff's Association or its successor organization;
  - One representative of the Ohio Association of Chiefs of Police or its successor organization;
  - One representative of the Ohio Fire Chiefs' Association or its successor organization.
- Two members of the House appointed by the Speaker, one from each party;
- Two members of the Senate appointed by the Senate President, one from each party.

The Director of Administrative Services (DAS) or the Director's designee must chair the committee.

The MARCS Steering Committee must assist the DAS Director to effectively and efficiently implement MARCS, as well as develop policies for the ongoing management of the system. The Steering Committee must report to the DAS Director and the Director of Budget and Management on the progress of MARCS implementation and the development of policies related to the system.

The Steering Committee must establish a subcommittee to represent MARCS users on the local government level. The subcommittee chairperson must serve as a member of the Steering Committee.

Report on rare diseases

(R.C. 3701.051, repealed)

The bill eliminates the requirement that the Director of Health, every two years, produce a report on rare diseases in Ohio.

Student Tuition Recovery Authority

(R.C. 3332.081)

The bill modifies the General Assembly membership of the Student Tuition Recovery Authority to be members of the House and Senate appointed by the Speaker of the House or Senate President, instead of the members who chair education committees.

Transportation Improvement Districts

(R.C. 5540.02)

The bill removes the authority of the Speaker of the House to make a discretionary appointment to a Transportation Improvement District.

Ohio Turnpike and Infrastructure Commission

(R.C. 5537.02)

The bill removes a requirement that the members of the House and Senate who serve on the Commission represent either a district that is part of the Ohio turnpike system or a district located in the vicinity of a turnpike project that is part of the Ohio turnpike system.

Sunset Review Committee

(R.C. 101.84)

The bill changes the number of days by which the Committee must meet to not later than 90 instead of 30 days after commencement of the General Assembly, for the purpose of choosing a chairperson and establishing the schedule for agency review.

Emergency Response Commission

(R.C. 3750.02)

The bill modifies legislative representation on the Emergency Response Commission by requiring the Speaker of the House to appoint a member of the House and the Senate President to appoint a member of the Senate. Current law specifies that the chairpersons of the respective standing committees of the Senate and House that are primarily responsible for considering environmental issues, are members of the Commission.

LOCAL GOVERNMENT

County officials present in office

- Requires a county officer to appear at the officer's principal office location at least one day out of any 30-day period to satisfy the officer's duties.
- Decreases from 90 to 30 the number of days after which the office of county auditor or county treasurer becomes vacant if the auditor or treasurer fails to perform their duties.

County employee cash awards

- Limits the total amount of cash awards per county employee per calendar year to 10% of the employee's annual compensation, but permits the board of county commissioners to approve a higher amount.

County budget commission membership

- Removes the county prosecutor from the county budget commission and makes the president of the board of county commissioners a member instead.

County engineer

- Changes, from 100% to a range of 80-100%, the supplemental compensation amount a county engineer receives to perform the duties of county engineer in another county during a vacancy.

County coroner

- Changes the county coroner from being elected by voters to appointed by the board of county commissioners.
- Specifies that current county coroners who were elected may complete the remainder of their terms.
- Replaces the county coroner with the county auditor as the county official to fill in when two county commissioners are absent.

County nonemergency patient transport services

- Increases the population limit of a county at or under which a county may operate a nonemergency medical transport service organization.

Township zoning

- Exempts township zoning amendments related to megaprojects from the zoning referendum process.

Village dissolution evaluation

- Adds electric services to the list of services that may be counted when evaluating whether a village has provided the necessary number of services, and therefore, may not be subject to an automatic ballot question on village dissolution.

Local fiscal emergency receivership

- Establishes a process for the creation of a receivership for counties, townships, and municipal corporations in fiscal emergency.

Local option election for alcohol sales

- Requires a petitioner of a local option election for alcohol sales to pay the entire cost of an election if it is held on a day other than the day of a primary election, general election, or special election of a political subdivision for a question or issue, nomination for office, or election to office.

Political subdivision communications

- Subjects chartered counties and municipal corporations to the requirements of an existing law that prohibits a political subdivision from using public funds to finance certain communications or from paying its staff for time spent on certain political activities.

Board of park commissioners of a park district

- Makes the following changes for a board of park commissioners of a park district that was a township park district created before 1892 and converted into a park district under R.C. 1545.041 on or before January 1, 1989:
  - Changes the appointing authority from the probate judge to the board of county commissioners;
  - Expands the board from three to five members;
  - Specifies qualifications for members of the board;
  - Specifies that current members of an affected board may complete the balance of the member's term.

Eminent domain and recreational trails

- Establishes that the taking of property for recreational trails does not satisfy the public use requirement of Ohio's eminent domain law.

Ohio Housing Trust Fund (OHTF)

- Removes the requirement that certain fees collected by county recorders be deposited into the Ohio Housing Trust Fund (OHTF).
- Permits counties to use fees previously allocated to the OHTF for housing-related purposes determined by the board of county commissioners.

Battery-charged fences

- Eliminates state law requirements concerning the installation and operation of battery-charged fences on private nonresidential property.

- Prohibits local governments from adopting or enforcing battery-charged fence regulations that expressly, implicitly, or functionally prohibit the installation, operation, or use of battery-charged fences that meet certain criteria.

Manufactured and mobile homes

- Removes references to "recreational vehicles" throughout the Forcible Entry and Detainer Law, thereby limiting causes of action brought by park operators to manufactured and mobile homes.
- Requires the titled owner of a manufactured or mobile home to be joined as a defendant in any eviction proceeding against a resident of a manufactured home park who is not the titled owner.
- Requires notice of an eviction action to be served upon the titled owner by leaving a copy at the premises from which the resident is sought to be evicted and by ordinary mail, if the owner's address is known by the park operator.
- Eliminates the requirement that the park operator provide notice to remove a manufactured or mobile home to an evicted resident of the manufactured home park who is not the titled owner of the home.
- Requires the clerk of courts to provide title information to the park operator to facilitate the park operator's search for persons with a right, title, or interest in manufactured or mobile home.
- Reduces from 21 days to 14 days the time within which the titled owner of a manufactured or mobile home must remove the home from the manufactured home park.
- Requires persons other than the titled owner to pay all rent and storage fees to the park operator within 21 days after receiving notice of the eviction rather than when the home is sold and specifies that failure to pay the rent and storage fees results in forfeiture of the person's interest in the home.
- Requires that the notice sent by the park operator to any person of interest specify the amount of fees owed, the method by which to pay the fees, and information on how to contact the titled owner for the sale or removal of the home.
- Requires an estate in probate with an interest in the home to pay rent during the pendency of the probate administration.
- Allows a park operator to store a manufactured or mobile home at a storage facility or at another location within the manufactured home park immediately, rather than waiting 90 days after the titled owner's death.
- Allows the park operator to request title to the manufactured or mobile home if no probate court has granted administration with respect to the titled owner's estate within 21 days after the owner is notified to remove the home.

- Specifies that a park operator need only publish notice of pending abandoned manufactured home proceedings if the titled owner is deceased and that the notice is weekly.
- Increases from $3,000 to $10,000 the value threshold for when an abandoned manufactured or mobile home must be sold at auction rather than conveyed to the park operator.
- Increases, from 15 days to 30 days, the time within which the county auditor must confirm whether the auditor agrees or disagrees with the park operator's stated value of the home.
- Specifies that, if the county auditor does not timely agree or disagree with the park operator's valuation, the proceedings continue as though the county auditor agreed.
- Allows the park operator to appeal the county auditor's disagreement with the park operator's stated value of the manufactured or mobile home.
- Specifies that the county auditor's agreement or disagreement is not an official appraisal for tax purposes and is not admissible as evidence in any proceeding before a board of revision or board of tax appeals.
- Replaces references to "a writ of execution" with "an order on the judgment" and modifies the information that must be included in the order.
- Requires that the filing fee for such an order not exceed the court's standard motion fee.
- Requires the home to be offered for sale one time, instead of two times, before the plaintiff can obtain title to the abandoned home.
- Requires that all bidders who intend to reside in the park after the sale must apply for residency with the park and be approved for residency at least seven days prior to the date of the sale.
- Exempts the transfer of title of the abandoned manufactured or mobile home to the park operator from the title transfer fee charged by the county auditor.
- Exempts manufactured homes that a destroyed by the park operator within one year after the park operator taking possession through a Forcible Entry and Detainer action from manufactured home taxes that would otherwise apply for the period before the home was destroyed.

County officials present in office

(R.C. 305.03)

The bill modifies the law regarding vacancy in county offices. Currently, if a county officer fails to perform the duties of their office for 90 consecutive days (30 consecutive days in the case of county auditors and county treasurers), the office is deemed vacant by operation of law. The bill modifies this in two ways. First, the bill subjects all county officials to the 30-day standard.

Second, the bill specifies that appearing at the officer's principal office location on at least one day out of 30 consecutive days is a duty of office, thus requiring an officer to appear at their principal office location at least one day out of any 30-day period to avoid vacating the office.

County employee cash awards

(R.C. 325.25)

Continuing law allows county departments to establish programs to recognize outstanding employee performance. The bill places an annual limit on the total amount of cash awards given to an employee under a program: 10% of an employee's annual compensation. The board of county commissioners can approve a higher amount.

County budget commission membership

(R.C. 5705.27)

The bill removes the county prosecutor from the county budget commission and makes the president of the board of county commissioners a member instead. Under continuing law, each county has a budget commission whose function is to review and, in some cases, adjust the budgets and taxing authority of local governments within the county.

County engineer

(R.C. 305.021)

Continuing law allows a county engineer to perform the duties of county engineer in another county when that county is experiencing a vacancy. The bill changes the supplemental compensation amount a county engineer receives from the county, from 100% under current law to a range of 80 - 100% under the bill.

County coroner

(R.C. 313.01 and 305.03; conforming changes in R.C. 305.02, 313.02, and 313.04; Section 703.10)

The bill changes the county coroner from being elected by voters to appointed by the board of county commissioners. Additionally, the bill specifies that current county coroners who were elected may complete the remainder of their terms. Under continuing law, the county coroner serves a four-year term that begins on the first Monday of January after the appointment. If a vacancy occurs in the coroner's office for any cause, the board of county commissioners must appoint a successor for the remainder of the term. Under continuing law, for the period of time between a vacancy and appointing a successor, the board of county commissioners may contract with another county's coroner to perform the functions of the coroner's office that is vacant.

The bill also replaces the county coroner with the county auditor as the county official to fill in when two county commissioners are absent. Under continuing law, if at any time two county commissioners are absent from office due to sickness or injury and have filed a certificate required under law of the sickness or injury, a county official must serve as county commissioner until at least one county commissioner is no longer absent.

County nonemergency patient transport services

(R.C. 307.05)

The bill increases the population limit to 60,000 or less for which a county may operate a nonemergency transport service organization, contract for nonemergency patient transport services, and furnish or obtain the interchange of such services. Under current law, a county with a population of 40,000 or less may do so.

Township zoning

(R.C. 519.12)

Continuing law subjects township zoning amendments to a referendum process; a proposed amendment takes effect in 30 days unless a referendum petition with sufficient signatures forces a ballot issue to approve or deny the proposed amendment. The bill exempts proposed zoning amendments related to megaprojects from this referendum process. Instead, the zoning amendment would take effect immediately. The bill does not modify the nearly-identical county provision, R.C. 303.12.

Village dissolution evaluation

(R.C. 703.331)

The bill adds electric services to the list of services that may be counted when evaluating whether a village has provided the necessary number of services, and therefore, may not be subject to an automatic ballot question on village dissolution. Under continuing law, a village must provide, contract with a private nongovernmental entity or a regional council of governments that includes three or more political subdivisions at least two of which are municipal corporations, to provide, at least five specified services. Other eligible services under current law are police protection; fire-fighting services; garbage collection; water service; sewer service; emergency medical services; road maintenance; park services or other recreation services; human services; and a public library established and operated solely by the village. Under continuing law, in order to avoid an automatic ballot question, a village must also have at least one candidate on the ballot for each elected village position.

Local fiscal emergency receivership

(R.C. 118.29 and 2743.03)

Continuing law provides a framework for identifying and addressing financial crises in counties, townships, and municipalities by outlining conditions for fiscal watch, fiscal caution, and fiscal emergency status and efforts to overcome those conditions. The bill establishes a process for the creation of a receivership for a county, township, or municipal corporation that is in fiscal emergency. The process begins with a referral from the financial supervisor, or the board of county commissioners, board of township trustees, or legislative authority to the Attorney General if both of the following conditions are met:

- The county, township, or municipal corporation has been in a state of fiscal emergency for a continuous period of ten years, or it has been in a state of fiscal emergency at least

twice in a period of ten years and the combined period of fiscal emergency is at least five years.

- The county, township, or municipal corporation, has demonstrated one or more of the following, as determined by the financial supervisor (these can be retroactive):
  - Failure to comply with the Ohio's budgetary and spending laws;
  - Failure to ensure that appropriations comply with the financial plan;
  - Assuming debt without the approval of the financial planning and supervision commission;
  - Undertaking administrative or legislative action that is not in accordance with the terms of the financial plan or, when applicable, without permission of the commission.

Upon receiving a referral, the Attorney General promptly must file a petition for a receivership with the court of claims. The judge that has served the longest on the court as of the date the petition is filed promptly must appoint a receiver. With the approval of the court, the receiver can request reasonable fees for work performed, specifically including costs associated with retaining legal counsel, accountants, or other similar advisors that the receiver considers necessary in the performance of the receiver's duties. The fees must be paid from funds appropriated to OBM during the period of fiscal emergency.

A receiver appointed under this section has all of the following powers and duties:

- Consult with the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation to make recommendations or, if necessary, to assume responsibility for implementing cost reductions and revenue increases to achieve a balanced budget and carry out the financial plan, and to make reductions in force or spending to resolve the fiscal emergency conditions;
- Ensure the county, township, or municipal corporation in fiscal emergency complies with all aspects of the financial plan or, if no financial plan has been approved by the commission, the receiver must consult with the county, township, or municipal corporation and make recommendations, or assume, if necessary, the responsibility for crafting and submitting the financial plan to the commission;
- Ensure the county, township, or municipal corporation complies with any other relevant aspects of the fiscal emergency laws;
- Provide monthly, written reports about the progress toward resolving the conditions of fiscal emergency to the commission to the board of county commissioners, board of township trustees, or legislative authority and mayor or city manager of the municipal corporation;
- Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under the Ohio Open

Meetings Law, in executive session, of the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation;

- Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under the Ohio Open Meetings Law, in executive session, of the financial planning and supervision commission of the county township, or the municipal corporation in fiscal emergency;
- At the receiver's initiative or upon invitation, attend executive sessions of the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation;
- Exercise any other powers granted to the receiver by the court necessary to perform these duties.

If, in the judgment of the receiver, the criteria required to file for bankruptcy under the Federal Bankruptcy Act are satisfied and no reasonable alternative exists to eliminate the fiscal emergency condition within three years, the receiver can present findings and submit a written recommendation on filing for bankruptcy to the financial planning and supervision commission and the board of county commissioners, board of township trustees, or legislative authority of the municipal corporation. Beginning 60 days after submitting the recommendation, the receiver can initiate bankruptcy proceedings unless: (1) the board or legislative authority adopts an ordinance or resolution opposing the recommendation, which must include a plan to satisfy and discharge the debts and liabilities within seven years and promptly alleviate the fiscal emergency conditions using expenditure reductions or available and future tax revenue, and (2) the financial planning and supervision commission determines the plan is sufficient to satisfy and discharge the debts and liabilities included in the receiver's recommendation for bankruptcy within seven years of the adoption of the resolution and promptly alleviate the fiscal emergency conditions. If the commission determines that the plan is not sufficient, the receiver can initiate bankruptcy proceedings.

If the commission determines the plan is sufficient and the plan requires voted taxes, the board of county commissioners, board of trustees, or legislative authority of the municipal corporation must direct the board of elections to submit the tax question to the electors at the next general election or at a special election conducted on the day of the next primary election in the county, township, or municipal corporation occurring not less than 90 days after the resolution is certified to the board, as applicable under the provision authorizing the tax question. If the taxes are not approved by the electors, the receiver can initiate bankruptcy proceedings. If the taxes are approved by the electors, the board of county commissioners, board of trustees, or legislative authority of the municipal corporation must implement the plan to satisfy and discharge the debts and liabilities within seven years and promptly alleviate the fiscal emergency conditions.

The court terminates the receivership when the county, township, or municipal corporation has corrected and eliminated the fiscal emergency conditions and no new fiscal emergency conditions have occurred.

Local option election for alcohol sales

(R.C. 3501.17)

A political subdivision must pay the entire cost of a special election held on a day other than on the day of a primary or general election and a share of the cost of conducting an election at which it has an item on the ballot if held on the day of a primary or general election. Costs are shared among the entities placing items on the ballot based on a statutory formula. The bill creates an exception to paying the cost of an election and requires a petitioner of a local option election for alcohol sales to pay the entire cost of an election if it is held on a day other than the day of a primary election, general election, or special election of a political subdivision seeking to submit a question or issue, nomination for office, or election to office.

Political subdivision communications

(R.C. 9.03)

The bill subjects chartered counties and municipal corporations to the requirements of an existing law that prohibits a political subdivision from using public funds to finance certain communications. Currently, the law applies to all political subdivisions other than chartered counties and municipal corporations.

The statute, which the bill does not otherwise change, prohibits the governing body of a political subdivision from using public funds to publish, distribute, or otherwise communicate information that does any of the following (as noted below, existing law already prohibits a chartered subdivision from engaging in some of those actions):

- Contains defamatory, libelous, or obscene matter. Currently, officials of a chartered subdivision that did so could be sued for defamation (which includes libel) or prosecuted for pandering obscenity.[173]
- Promotes alcohol, tobacco, or any illegal product, service, or activity.
- Promotes illegal discrimination on the basis of race, color, religion, national origin, disability, age, or ancestry. Under existing law, a chartered subdivision that did so might be vulnerable to a discrimination action by its employees.[174]
- Supports or opposes any labor organization (union) or any action by, on behalf of, or against any labor organization. Depending on the circumstances, a chartered subdivision that did so with respect to its employees already might run afoul of Ohio's Public Employee Collective Bargaining Law.[175]
- Supports or opposes the nomination or election of a candidate for public office or the investigation, prosecution, or recall of a public official. A separate provision of continuing

[173] R.C. 2907.32, not in the bill.

[174] R.C. 4112.02, not in the bill.

[175] R.C. 4117.11, not in the bill.

law prohibits any person, including the governing body of a chartered subdivision, from knowingly conducting a direct or indirect transaction of public funds to the benefit of a candidate or a political entity.

- Supports or opposes the passage of a levy or bond issue. As is mentioned above, continuing law prohibits a chartered county or municipal corporation from giving public funds to a political entity, such as a political action committee (PAC) organized to support a ballot issue. But, existing law *does* appear to allow a chartered county or municipal corporation to spend public funds on its own advertising regarding a levy or bond issue without going through a PAC. The bill prohibits that activity.

Additionally, the law prohibits the governing body of a political subdivision from compensating its employees for time spent on any activity to influence the outcome of an election regarding any candidate or any levy or bond issue.

- The home rule provisions of the Ohio Constitution give all municipal corporations, regardless of whether they are chartered, and all chartered counties the authority to exercise all powers of local self-government.[176] Under the Constitution, a municipal corporation or a chartered county might have the right to spend its funds for certain purposes, despite a state law to the contrary. It appears that Ohio's courts have not considered whether, for example, a city may use its home rule authority to spend public funds to promote a levy or bond issue. By eliminating the exemption for chartered subdivisions, the bill might make such a case more likely to come before the courts.

Board of park commissioners of a park district

(R.C. 1545.05; Section 715.10)

The bill makes changes for members of a board of park commissioners of a park district that was a township park district created before 1892 and converted into a park district under R.C. 1545.041 on or before January 1, 1989. In general, laws are supposed to be of a general nature and have a uniform operation throughout the state. Laws that limit a statute's operation to a few geographic areas have been constitutional as long as there are no restrictions that prevent other geographic areas from qualifying in the future.[177]

The bill changes the appointing authority for the board from the probate judge to the board of county commissioners. The board of county commissioners must appoint park district members by a majority vote. Additionally, the bill requires the board of park commissioners to expand from three members to five. The board of park commissioners must consist of the following members:

- A member of the city council of the most populous city in the park district;
- A member of the village council of the most populous village in the park district;

[176] Ohio Const., art. X, sec. 3 and art. XVIII, sec. 3.

[177] Ohio Const., art. II, sec. 26; See also *Assur v. Cincinnati*, 88 Ohio St. 181 (1913).

- A member of the board of township trustees of the most populous township in the park district;
- A member who is a citizen of the most populous township in the park district;
- A member who is a citizen of the most populous city in the park district.

If a park district with members of a board of park commissioners does not contain a city, village, or township, the probate judge must appoint remaining members in accordance with continuing law for all other park districts, which does not include specific qualifications for who may be appointed to a board of park commissioners. Additionally, the commissioners who are appointed must take office immediately and terms expire one, two, three, four, and five years respectively, from the first day of January next after the date of their appointment. Each successor appointed will serve a term of three years.

The bill adds, consistent with continuing law for all other park districts, that commissioners must take an oath to perform faithfully the duties of the office and give bond, approved by and filed with the county auditor, for that faithful performance in the amount of $5,000 before taking office. The commissioners must serve without compensation but are permitted their actual and necessary expenses incurred in the performance of their duties.

Transition of current commissioners

The bill specifies that, a member of a board of park commissioners of a park district who, before the effective date of the bill, was appointed to a board of commissioners of a park district that was a township park district created before 1892, and converted into a park district under R.C. 1545.041 on or before January 1, 1989, may complete the balance of the member's term. Any members appointed to a board of commissioners of a park district that was a township park district created before 1892, and converted into a park district under R.C. 1545.041 on or before January 1, 1989, after the effective date of the bill must be appointed as described above.

Eminent domain and recreational trails

(R.C. 163.01)

Under continuing law, property can only be taken by appropriation, i.e., eminent domain, for a public use.[178] The bill alters the definition of public use by establishing that the taking of property for recreational trails does not satisfy this public use requirement. Recreational trails include trails for hiking, bicycling, horseback riding, ski touring, canoeing, or other nonmotorized forms of recreational travel.

Ohio Housing Trust Fund (OHTF)

(R.C. 174.02, 317.36, and 319.63)

Continuing law prescribes the fees that county recorders are required to collect when recording documents like deeds, mortgages, powers of attorneys, and mechanic's liens. Under

[178] R.C. 163.021(A), not in the bill.

current law, half of these fees are retained by the county and half are remitted to the Ohio Housing Trust Fund (OHTF). The bill instead allows counties to retain all of the fees. The portion formally allocated to the OHTF must be used for housing-related purposes determined by the board of county commissioners.

The bill retains the OHTF and the seven-member advisory committee that assists DEV and the Ohio Housing Finance Agency (OHFA) in defining housing needs and priorities and allocating OHTF funds. However, the recorder fees and investment earnings from those fees are the primary sources of revenue for the OHTF. For that reason, the OHTF-funded programs and the activities of the OHTF advisory committee will likely cease when the remaining balance is expended.

Battery-charged fences

(R.C. 3781.1011)

Current law includes numerous safety standards concerning the installation and use of battery-charged fences on private nonresidential property. Furthermore, the law expressly authorizes counties, townships, and municipal corporations to (1) impose additional regulations that do not conflict with state law, (2) require a permit or fee for the use of a battery-charged fence, and (3) prohibit battery-charged fences that do not meet state law requirements. The bill eliminates the state safety standards and limits the authority of local governments to impose safety standards of their own.

Under the bill, no county, township, or municipal corporation may adopt or enforce an ordinance, order, resolution, or regulation that "expressly, implicitly, or functionally" prohibits the installation, operation or use of a battery-charged fence that meets certain conditions. The bill does not require battery-charged fences to comply with those conditions. It eliminates all state-level safety standards. Instead, the bill establishes a safe harbor in which certain battery-charged fences are not subject to local regulation. The table below compares the safe harbor conditions established by the bill to the safety standards prescribed by current law.

Comparison of Safety Standards to Safe Harbor	
Safety standards (current law)	**Safe harbor (under the bill)**
The fence must be connected to a monitored alarm system.	Same.
The fence must have a battery-operated energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current, and that meets the standards set forth by the	Similar, but the storage battery does not need to meet the standards set by the International Electrotechnical Commission.

Comparison of Safety Standards to Safe Harbor	
Safety standards (current law)	**Safe harbor (under the bill)**
International Electrotechnical Commission.	
The fence must be completely surrounded by a nonelectric perimeter fence or wall that is at least five feet tall.	The fence must be four to twelve inches behind a nonbattery-charged perimeter fence, wall, or structure that is at least five feet in height.
The fence must be no taller than ten feet, or two feet higher than the height of the nonbattery-charged perimeter fence or wall, whichever is higher.	The fence must be exactly ten feet in height, or two feet higher than the perimeter fence, whichever is higher.
The fence must marked with conspicuous warning signs, no more than 40 feet apart, that read "WARNING—ELECTRIC FENCE."	Similar, but requires the signs to be placed in intervals not exceeding 30 feet and to read: "WARNING – SHOCK HAZARD" or a similar warning message.

The bill retains the authority of a county, township, or municipal corporation to require a permit or fee for the installation or use of a battery-charged fence or to prohibit or impose requirements on the installation, operation, or use of a fence that does not meet the safe harbor standards described above.

Manufactured and mobile homes

(R.C. 319.54, 1923.01, 1923.02. 1923.04, 1923.06, 1923.09, 1923.11, 1923.12, 1923.13, 1923.14, and 4503.0611; Section 830.10)

The Forcible Entry and Detainer Law authorizes eviction proceedings against tenants and other persons under various circumstances. For example, a landlord may pursue an action under the Forcible Entry and Detainer Law to remove a tenant, including a manufactured home park resident, who continues to occupy a residential premises beyond the term of the lease agreement. The Forcible Entry and Detainer Law includes several causes of action that are specific to manufactured home park residents, including residents who:

- Default in the payment of rent;
- Breach the terms of the rental agreement;
- Commit two or more material violations of manufactured home park rules, rules of the Division of Industrial Compliance, or state and local health and safety codes;

- Abandon a manufactured or mobile home for 30 consecutive days without providing notice to the park operator or paying rent due under the rental agreement.

The bill makes several changes to these causes of action and to the process by which a park operator may sell or otherwise dispose of abandoned manufactured and mobile homes. Collectively, the changes accelerate the timeline for such causes of action and make it easier for park operators to obtain title to abandoned homes.

Recreational vehicles

Under current law, the same Forcible Entry and Detainer Law causes of action and procedures that apply to manufactured and mobile homes apply to recreational vehicles parked in a manufactured home park. The bill removes all references to recreational vehicles throughout the Forcible Entry and Detainer Law, thereby limiting the application of the provisions discussed below to manufactured and mobile homes.

Joinder of titled owner

The bill requires the titled owner of the mobile or manufactured home to be joined as a defendant in any action under the Forcible Entry and Detainer Law against a manufactured home park resident who is not the titled owner of the home. The bill defines "titled owner" as a person or estate that owns a manufactured or mobile home located in a manufactured home park, regardless of whether the person or estate is entitled to occupy the lot under the rental agreement with the park operator.

Notice and summons

Under continuing law, a person initiating an eviction action must notify the adverse party to leave the premises three or more days before filing the action with the court. The notice must be effectuated by (1) certified mail, return receipt requested, (2) handing a written copy of the notice to the defendant in person, or (3) leaving a written copy of the notice at the defendant's usual place of abode or at the premises from which the defendant is sought to be evicted. Every notice must contain the following language printed or written in a conspicuous manner: "You are being asked to leave the premises. If you do not leave, an eviction action may be initiated against you. If you are in doubt regarding your legal rights and obligations as a tenant, it is recommended that you seek legal assistance."

The bill specifies that, if the adverse party in the eviction action is a titled owner of a manufactured or mobile home, the notice is instead effectuated by leaving a copy at the premises from which the defendant is sought to be evicted and sending a copy by ordinary mail to the titled owner. However, the park operator is not required to send a copy of the notice by mail if the park owner does not know the titled owner's name and address.

The court in which the eviction action is filed must issue a summons which formally directs the defendant to appear and answer the complaint. The summons includes standard language relating to the eviction action, including the following: "A complaint to evict you has been filed with this court." The bill modifies the standard language to account for the joinder of titled owners; specifically, the bill adds "or the resident of your manufactured or mobile home."

Judgment entry

Under continuing law, if the judgment in the eviction action is entered in favor of the park operator, the judge must enter in the judgment entry the authority for the park operator to remove the manufactured or mobile home from the park. The bill clarifies that such removal is contingent upon a subsequent entry for disposition of a manufactured home or mobile home.

Notice to remove

A park operator is required to provide certain notices before seeking a writ of execution or, under the bill, a court order for the sale or disposition of an abandoned manufactured or mobile home. The bill streamlines these notice requirements and changes the process by which the titled owner or another person with an ownership interest may preserve their claim to the home. Those changes are addressed in the table below.

Current Law	H.B. 96
Notice to resident	
If the resident of a manufactured home park or the resident's estate does not retrieve the manufactured or mobile home within three days after the entry of judgement in an eviction action, the park operator may provide a written notice to remove the home from the park within 14 days after the date of delivery.	No notice is required to a resident who is not the titled owner of the manufactured or mobile home.
Notice to owners	
Requires the park operator, before requesting a writ of execution, to conduct a search of the appropriate public records to identify all persons having an outstanding right, title, or interest in the manufactured or mobile home.	Limits the search to persons other than the titled owner. Requires the clerk of courts to provide title information to the park operator upon request.
Requires the park operator to provide notice of the eviction to owners of the manufactured or mobile home and allow the owners 21 days from the date the notice is received to remove the home from the park or arrange for its sale. Requires payment of rent and storage fees to the park operator only upon pendency of sale.	Reduces the notice period for the titled owner of the home to 14 days. Retains the 21-day notice period for persons other than the titled owner but eliminates the option to simply remove or arrange for the sale of the home. Instead requires the person to pay all rent and storage fees up front in order to retain the person's ownership interest.
No provision.	Requires the notice to persons other than the titled owner to include the amount of rent and storage fees owed, the method by which to pay

Current Law	H.B. 96
	the fees, and information on how to contact the titled owner for the sale or removal of the home.
Requires the notice to be delivered in person or by ordinary mail.	Requires notice to the titled owner to be posted on the door of the manufactured or mobile home. Requires notice to other owners to be sent by ordinary mail.
Deceased residents and owners	
No provision.	Specifies that rent and storage fees continue to accrue on the manufactured or mobile home during the administration of the titled owner's estate.
No provision.	Specifies that, if a probate court grants administration with respect to the titled owner's estate and the executor or administrator does not pay rent or storage fees to the park operator before the manufactured or mobile home is removed from the park or sold by another person having an interest in the home, the titled owner's estate forfeits its interest in the home *(R.C. 1923.12(D)(1))*.
Requires, if the resident who was evicted is deceased, the park operator to allow 90 days for a probate court to grant administration of the resident's estate before seeking out and providing notice to the titled owner and other persons having a right, title, or interest in the manufactured or mobile home.	Allows the park operator to provide such notices if the titled owner does not retrieve the home within three days after the judgment entry for eviction.
Allows the park operator to store the manufactured or mobile home at a storage facility or at another location within the manufactured home park during the administration of the titled owner's estate only if both of the following apply: ▪ The titled owner is the resident who was evicted; ▪ The probate court does not grant administration of the estate within 90 days after the titled owner's death *(R.C. 1923.12(E)(1))*.	Eliminates the requirement that the titled owner be the resident and the 90-day period for the probate court to grant administration of the estate. Allows the park operator to store the home at another location immediately and specifies that rent continues to accrue during such storage.

Current Law	H.B. 96
No provision.	Allows the park operator to request title to the home if no probate court has granted administration with respect to the titled owner's estate within 21 days after the owner is notified to remove the home *(R.C. 1923.12(D)(2))*.
If the park operator cannot locate a person who has an outstanding right, title, or interest in the manufactured or mobile home, the operator must publish notice of a petition for a writ of execution in a newspaper of general circulation in the county where the home has been abandoned.	Instead requires publication of such notice if the park operator's search reveals that the titled owner is deceased. Changes reference to "writ of execution" to "court order."
Requires the notice to run for two consecutive weeks.	Instead requires the notice to be published once a week for two weeks.

Valuation

Current law requires abandoned manufactured or mobile homes valued at more than $3,000 to be sold at public auction, whereas, abandoned homes valued at $3,000 or less may be conveyed without a sale directly to the park operator. The bill increases the value threshold for public auctions to $10,000. It also modifies the process by which the value of an abandoned manufactured or mobile home is confirmed by the county auditor.

If the manufactured or mobile home is abandoned, current law requires the park operator to submit a notarized affidavit to the county auditor listing the titled owner, address, serial number, and the value of the home. The bill changes the content required in the affidavit and eliminates the requirement that it be notarized. Under the bill, the affidavit must state that the home is abandoned, whether the home is valued at $10,000 or less, the date of the eviction judgment, and all persons other than the titled owner that have outstanding interests in the home.

Current law requires the county auditor to either agree or disagree with the stated value on the affidavit within 15 days after receipt. The bill increases the allotted time to 30 days. The bill also allows the park operator to submit the required information to the county auditor electronically. The bill preserves the ability for the park operator to send additional materials in support of the stated value on the affidavit consistent with industry valuation standards in the event that the county auditor disagrees with the stated value. The bill also allows the park operator to appeal to the court for a ruling on the county auditor's disagreement with the stated value of the home.

In addition, the bill specifies that the certification by the county auditor respecting the value of a manufactured or mobile home must not be construed as an official appraisal of the home for tax purposes and is not admissible in any proceeding before a board of revision or board

of tax appeals. If the county auditor does not timely certify or respond to an affidavit of a park operator within the time required, the bill allows the park operator to submit the affidavit to the court and requires the court to proceed upon the affidavit without the county auditor's certification.

Content of the order on the judgment

Under current law, if the park operator requests a writ of execution on the eviction judgment and has met the requirements for issuance, the court must issue a writ containing certain specified information and instructions. The bill refers to the writ of exaction as an "order on the judgment." Furthermore, it changes the required contents of the order.

Current law expressly sets out in the writ the authority for the levying officer to remove and set out from a manufactured home park a person who remains on the premises after losing an eviction judgment, and also requires the writ to order the park operator to post a 14-day notice to the person to sell or remove the home at the person's cost three days after the judgment is entered. Current law requires the writ to declare that if the person fails to remove the home at the end of the 14-day period, the person forfeits the person's rights to the home and the park operator may exercise the park operator's rights regarding the removal or destruction of the home.

The bill instead requires that the order specify that the park operator has established by affidavit that all the legal requirements for the eviction have been met, that the search for all parties of interest has been reasonably completed, and that all required notices have been given. The bill specifies that the filing fee for the court order must not exceed the court's standard motion fee.

Homes valued at $10,000 or less

Under the bill, if the value of the manufactured or mobile home is $10,000 or less, the order must specify that the park operator has established just grounds for that value and is authorized to do any of the following:

- Destroy or remove the home from the manufactured home park;
- Retain the home at its current location;
- Sell the home.

The bill specifies that the park operator's choice in terms of what to do with the abandoned manufactured or mobile home is not subject to judicial intervention. If the manufactured or mobile home is destroyed, the park operator must submit to the county auditor a destroyed manufactured or mobile home form detailing the date of destruction and location of the manufactured or mobile home destroyed. If the manufactured or mobile home is retained at its current location or sold by the park operator, the park operator must notify the county auditor and the clerk of courts, title division.

Homes valued at more than $10,000

If the value of the manufactured or mobile home is more than $10,000, the bill requires that the home be sold at a public auction conducted by a licensed auctioneer, a bailiff of the

municipal court, or the county sheriff. Unlike real property taken in execution of a debt, no appraisal of the manufactured or mobile home is required before the sale. The bill establishes several new notice requirements concerning the public auction:

- Requires the park operator to file a praecipe for the sale with the clerk of court setting forth a description of the home and its location;
- Requires the clerk of court to deliver the praecipe to the bailiff, sheriff, or officer conducting the sale to determine the date for the sale in coordination with the park operator;
- Requires both the park operator and the sheriff, constable, or bailiff to serve written notice of the date, time, and place of the sale to all persons that have a right, title, or interest in the home or the personal property therein;
- Requires a bailiff of the court to be present at the auction to supervise and ensure proper procedures are followed and to receive purchase money;
- If the titled owner of the manufactured or mobile home is deceased, requires notice of the sale to be published in a newspaper of general circulation in the county once a week for two weeks.

The bill also adds additional details to the order on the judgment, which much require the bailiff to collect purchase money from the highest bidder at auction, if any, and deposit it with the clerk of court as soon as practicable. The clerk of court must hold the funds on deposit until the court examines the proceedings. The bailiff of the court must file a return reflecting completion of the sale with the name of the purchaser, the purchase amount, and the sale date. The park operator must then file with the court a motion for order confirming sale and a proposed order for transfer of title which must include an itemization of amounts to be distribute from the proceeds. Upon this motion, the court must issue an order confirming the sale, ordering distribution of proceeds, and transferring title to the manufactured or mobile home, which may be presented to the common pleas title division. The clerk of courts must then distribute the sale proceeds in accordance with the order confirming the sale.

Residency at the park after the sale

The bill requires all bidders who intend to reside in the park after the sale to apply for residency with the park and be approved for residency at least seven days before the date of the sale. Any successful bidder intending to remove the manufactured home or mobile home after the sale must remove the home within 10 days after the sale and is liable to the park operator for any damage to the lot because of the removal of the home. The successful bidder must register title with the clerk of courts, title division, within 10 days after the receipt of the court order to transfer title to the successful bidder. After the sale of the manufactured home or mobile home, the park operator must file with the clerk of courts a motion confirming the sale of the home, setting forth the date of the sale, the amount of the sale, the purchaser of the home, and the distribution of proceeds.

Lack of bidders

Under current law, if there are no bidders after two sale dates, the home can be transferred to the park operator. Under the bill, if the manufactured or mobile home is not sold at the first scheduled sale, the clerk must issue a certificate of title to the park operator. The certificate of title must contain a notation that it is issued, free and clear of all liens and encumbrances, including any liens for delinquent or current manufactured home taxes, whether or not such taxes are yet due and payable.

The county auditor must also remove all such taxes from the manufactured home tax list and the delinquent manufactured home tax list and remit any tax penalties and interest charged against the property. The transfer of title to the home is exempt from conveyance fees typically imposed. The bill requires the park operator to notify the county auditor of the transfer of title, and the county auditor must, in turn, notify the county treasurer. The park operator must also submit proof of registration with the county auditor to the clerk of courts to effectuate the transfer of title. If the manufactured home or mobile home is destroyed or removed, the park operator must provide the county auditor with notice of removal or destruction of the manufactured or mobile home.

Destruction of home and unpaid taxes

If the county auditor determines the destruction of a manufactured or mobile home occurred within one year after the title of the home being transferred to a park operator, the bill requires the auditor to waive all unpaid manufactured home taxes charged against the home. Upon the destruction of a manufactured or mobile home, the owner of the home must dispose of the certificate of title in accordance with current law requirements.

MISCELLANEOUS

Public official compensation

- Establishes an advisory commission that will, at the beginning of every odd-numbered General Assembly, review and make recommendations about the compensation amounts of General Assembly members and the executive statewide elected officials.
- Increases and extends pay raises for justices and judges, county officials, township officials, and members of county boards of elections, from 1.75% per year through 2028 under current law to 5% per year through 2029; provides annual cost-of-living adjustments beginning in 2030 equal to the increase in CPI with a 3% maximum.

Terms of public library boards of trustees

- Reduces from seven to four years the terms of office of board of trustee members of a school district free public library, county library district, or regional library district appointed after the bill's effective date.

Materials in a public library

- Requires a public library to place material related to sexual orientation or gender identity or expression in a portion of the library that is not primarily open to the view of a person under 18 years old.

Sex recognition

- Establishes state policy recognizing only two sexes, male and female, which are not changeable and are grounded in fundamental and incontrovertible reality.

Menstrual products in public buildings

- Prohibits a government entity from placing menstrual products in the men's restroom of a public building.

Unlawfully extracting or exploiting minerals of another

- Allows a civil action to be brought by a person that owns mineral rights, against any person that, without lawful authority, does either of the following:
  - Trespasses on the land containing such minerals and extracts, exploits, or otherwise converts the minerals; or
  - Trespasses on the land containing such minerals and, as a result of the entry, renders the development and extraction of the minerals by the owner commercially unfeasible.
- Establishes mechanisms for the determination of damages as a result of such an action.
- Codifies that it is the intent of the General Assembly to abrogate the common law causes of action and remedies related to unlawful extraction, exploitation, or conversion of another person's mineral rights by creating the bill's civil action proceedings.

Public official compensation

(R.C. 101.56, 101.561, 141.04, 325.18, 505.24, 507.09, and 3501.12; Section 701.70)

Advisory commission

The bills creates a Public Office Compensation Advisory Commission that will review the compensation amounts for General Assembly members and the executive statewide elected officials (Governor, Lieutenant Governor, Secretary of State, Auditor of State, Treasurer of State, and Attorney General) and make recommendations. The Commission does not have authority to modify compensation amounts, since the Ohio Constitution requires the amounts to be prescribed by law enacted by the General Assembly.

The Commission begins its review within the first 60 days of each odd-numbered General Assembly (i.e., the first review will begin in January 2027 at the start of the 137th General Assembly); the Commission must complete its review within the first 90 days of the General Assembly. Within that timeframe, the Commission will prepare a proposed compensation plan approved by vote of at least five of its members, prepare a report of its proposed compensation plan, and submit both to the Governor, to the President and Minority Leader of the Senate, and to the Speaker and Minority Leader of the House.

The Commission consists of nine voting members, with the Governor, Senate President, and House Speaker each appointing three, not more than two of whom may be members of the same political party. Certain individuals are not eligible to serve on the Commission:

- An officer or employee of the state or of a political subdivision;
- An individual who is the spouse, parent, grandparent, child, grandchild, sibling, nephew, niece, uncle, aunt, brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law, or mother-in-law of an officer or employee of the state or of a political subdivision;
- An individual who, within 12 months before appointment, was a candidate for election to a public office in Ohio;
- An individual who is a legislative agent or an executive agency.

Each member serves four years and cannot serve more than two consecutive terms. The chairperson must be selected by majority vote of all members of the Commission. Members are not entitled to compensation but are reimbursed for actual and necessary expenses. A vacancy is filled in the same manner as the original appointment. A member can be removed from the Commission only by that member's designated appointing authority.

Pay raises for justices, judges, and local officials

The bill increases the salaries of the following public officials:

- Justices and judges, including: Supreme Court, courts of appeals, courts of common pleas, municipal courts, and county courts;

- County elected officials, including: commissioners, prosecutor (with and without private practice), sheriff, clerk of court of common pleas, recorder, coroner (with and without private practice), engineer (with and without private practice), treasurer, and auditor;
- Township elected officials, including: trustees and fiscal officer; and
- County board of elections members.

Under current law, the above receive 1.75% annual increases through 2028 with no subsequent annual increases. The bill instead gives the officials annual 5% raises through 2029, and annual increases indefinitely, equal to the Consumer Price Index (with a maximum increase of 3%). The Ohio Constitution generally prohibits in-term changes in compensation for elected officers, except members of boards of elections may receive in-term changes and judges may receive in-term *increases* only (but not decreases).[179] Therefore, the changes the bill implements take effect for an officer only once the officer begins a new term.

Terms of public library boards of trustees

(R.C. 3375.15, 3375.22, and 3375.30)

The bill reduces from seven to four years the terms of office of board of trustee members of a school district free public library, county library district, or regional library district appointed after the bill's effective date.

Current law staggers the terms of the first appointment of members by appointing authority. The bill changes those terms for first appointments after the bill's effective date as follows:

1. The terms of the three trustees appointed by court of common pleas judges to expire in two, three, and four years respectively, instead of two, four, and six years as under current law; and

2. The terms of the four trustees appointed by the board of county commissioners to expire in one, two, three, and four years respectively, instead of one, three, five, and seven years as under current law.

Materials in a public library

(R.C. 3375.47)

The bill requires a public library to place material related to sexual orientation or gender identity or expression in a portion of the library that is not primarily open to the view of a person under 18 years old.

[179] Ohio Const., art. II, sec. 20 (all officers not otherwise provided for in the Constitution) and art. IV, sec. 6 (judges). See 1997 Ohio Attorney General Opinion 1997-027 regarding members of boards of elections.

Sex recognition

(R.C. 9.05)

The bill establishes that state policy recognizes two sexes, male and female, which are not changeable and are grounded in fundamental and incontrovertible reality. The bill also establishes the following definitions for terms used in the Revised Code which, except for the definition of "sex," are the same as definitions used in a recent Executive Order issued by President Trump:[180]

- "Sex" means the biological indication of male and female, including sex chromosomes, naturally occurring sex hormones, gonads, and nonambiguous internal and external genitalia present at birth, without regard to an individual's psychological, chosen, or subjective experience of gender.[181]
- "Gender identity" means an individual's internal and subjective sense of self, disconnected from biological reality and sex and existing on an infinite continuum, that does not provide a meaningful basis for identification and cannot be recognized as a replacement for sex.
- "Female" means a person belonging, at conception, to the sex that produces the large reproductive cell.
- "Woman" means an adult human female.
- "Girl" means a juvenile human female.
- "Male" means an individual belonging, at conception, to the sex that produces the small reproductive cell.
- "Man" means an adult human male.
- "Boy" means a juvenile human male.

Menstrual products in public buildings

(R.C. 9.561)

The bill prohibits a government entity from placing menstrual products in the men's restroom of any building owned or occupied by a government entity. The bill does not include a penalty for violating this prohibition. For purposes of the prohibition, a "government entity" means a state agency, public institution, political subdivision, or any other organized body, office, agency, institution, or entity established by the laws of this state for the exercise of any function of government.

[180] Presidential Executive Order 14168, "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government," (January 20, 2025).

[181] This definition of sex is the same as in R.C. 3129.01, not in the bill.

Because the bill applies to municipalities and charter counties and prohibits them from taking an action on their property, a question might arise regarding the Home Rule Amendment to the Ohio Constitution. The Ohio Constitution grants municipalities and charter counties home rule authority, which includes the power of local self-government and the exercise of certain police powers.[182] There does not appear to be any case law regarding a situation like the bill's prohibition.

Unlawfully extracting or exploiting minerals of another

(R.C. 5303.34 and 5303.35)

The bill allows a civil action to be brought by a person that owns mineral rights, against any person that, without lawful authority, does either of the following:

1. Trespasses on the land containing such minerals and extracts, exploits, or otherwise converts the minerals; or

2. Trespasses on the land containing such minerals and, as a result of the entry, renders the development and extraction of the minerals by the owner commercially unfeasible.

Under the bill, if an action is brought for trespassing on land and the trespasser extracted, exploited, or otherwise converted the minerals, the damaged party is entitled to damages equal to the revenue received from the sale of the minerals measured at the mouth of the mine or at the wellhead, as applicable, less the cost of the extraction, and less any sums previously paid.

Additionally, when calculating damages, if the trespasser is determined to have acted in bad faith, no reduction for the cost of extraction is allowed, and the damaged party is entitled to the full revenue received from the sale of the minerals less any sums previously paid (thus removing the cost of extraction from the equation).

If an action is brought for trespassing on land and, as a result of the entry, the trespasser renders the development and extraction of the minerals by the owner commercially unfeasible, the damaged party is entitled to damages equal to the putative reasonably expected revenue, on a present value basis, that could have been received from the sale of the minerals (either at the mine or at the wellhead), less the cost of extraction, as established using commercially reasonable indices applicable to the location of the minerals.

However, when calculating damages, if the trespasser is determined to have acted in bad faith, damages must be equal to the putative reasonably expected revenue, on a present value basis, that could have been received from the sale of the minerals either at the mine or at the wellhead, less any sums previously paid (thus removing the cost of extraction from the equation).

The bill specifies that a damaged party is prohibited from receiving punitive or treble damages. It also codifies that it is the intent of the General Assembly, in enacting these civil action provisions, to abrogate the common law causes of action and remedies related to unlawful extraction, exploitation, or conversion of another person's mineral rights.

[182] Ohio Const., art. X, sec. 3 and art. XVIII, sec. 3.

NOTES

Effective dates

(Sections 820.10 to 820.110)

Article II, Section 1d of the Ohio Constitution states that "appropriations for the current expenses of state government and state institutions" and "[l]aws providing for tax levies" go into immediate effect and are not subject to the referendum. The bill includes a default provision stating that, except as otherwise specifically provided, the amendment, enactment, or repeal of a section is subject to the referendum and takes effect on the 91st day after the act is filed with the Secretary of State (barring the filing of a referendum petition). The bill also includes exceptions to the default provision, some of which provide that specified provisions are not subject to the referendum and go into immediate effect.

Expiration

(Section 810.10)

The bill includes an expiration clause stating that an item that composes the whole or part of an uncodified section contained in the bill (other than an amending, enacting, or repealing clause) has no effect after June 30, 2025, unless its context clearly indicates otherwise.

HISTORY

Action	Date
Introduced	02-11-25
Reported, H. Finance	04-08-25
Passed House (60-39)	04-09-25

ANHB0096PH-136/ks