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135th General Assembly

Bill Analysis

[Click here for S.B. 94's Fiscal Note](#)

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SUMMARY

Campus accountability and modernization

Policy on harassment and intimidation

- Requires state institutions of higher education and private for-profit colleges to adopt and enforce a policy on racial, religious, and ethnic harassment and intimidation that includes related training, complaint procedures, the creation of an anti-hate task force, and collaboration to increase security.
- Requires private nonprofit institutions of higher education to adopt and enforce a policy on racial and ethnic harassment and intimidation that includes related training, complaint procedures, the creation of an anti-hate task force, and collaboration to increase security.

Committee on harassment and intimidation

- Requires the Chancellor of Higher Education to establish a committee on combating antisemitism and other forms of racial, religious, and ethnic harassment and intimidation.

Harassment and intimidation reports

- Requires each institution of higher education to submit an annual report to the Chancellor of Higher Education of all harassment and intimidation reports submitted to the federal government consistent with the federal Clery Act.

* This analysis was prepared before the report of the House Finance Committee appeared in the House Journal. Note that the legislative history may be incomplete.

Time, place, and manner restrictions

- Requires each state institution of higher education to publicize any time, place, or manner restrictions it places on its students' expressive activities.

Campus programs

- Requires the Chancellor to establish and administer the Campus Student Safety Grant Program to award grants to institutions of higher education to enhance security measures and increase student safety.
 - Appropriates \$1 million in FY 2025 to support the program.
- Requires the Chancellor to establish and administer the Campus Community Grant Program to award grants to institutionally sanctioned student organizations at institutions of higher education to support intergroup and interfaith outreach and cultural competency between institutionally sanctioned student organizations.
 - Appropriates \$1 million in FY 2025 to support the program.
- Establishes the Campus Security Support Program under which the Chancellor must distribute funds to institutionally sanctioned student organizations affiliated with communities at risk for increased threats of violent crime, terror attacks, hate crimes, or harassment to enhance security measures and increase student safety.
 - Appropriates \$2 million in FY 2025 to the program.

Bill title

- Entitles this portion of the bill the Campus Accountability and Modernization to Protect University Students "CAMPUS" Act.

Financial cost and aid disclosure form

- Requires state universities and community colleges to provide a financial cost and aid disclosure form to newly admitted students.

Educator preparation program report

- Requires the Chancellor of Higher Education, in conjunction with the Department of Education and Workforce, to conduct a survey of educator preparation programs and to issue recommendations via a report.
- Appropriates \$150,000 for this purpose.

Filing of pleadings in electronic format in common pleas court

- Requires the clerk of a common pleas court to determine whether the filing of pleadings or documents in electronic format may be accomplished by electronic mail or through the use of an online platform.
- Prohibits the clerk from doing the following:

- Requiring that any fee for such filing be paid before the filing, unless the clerk has provided for an electronic payment system for such filing.
- Requiring a fee for such filing that is greater than the applicable fee for the filing of pleadings or documents in paper format.
- Provides that its provisions do not apply to a probate court or juvenile court.

Filing of pleadings in municipal court or county court

- Provides that, beginning not later than 270 days after the bill's effective date, pleadings or documents may be filed with the clerk of a municipal court or the clerk of a county court either in paper format or in electronic format.
- Stipulates that documents created by such clerk in the exercise of the clerk's duties may be created in an electronic format.
- Requires the clerk of a municipal court or county court to determine whether the filing of pleadings or documents in electronic format may be accomplished by electronic mail or through the use of an online platform.
- Prohibits such clerk from doing the following:
 - Requiring that any fee for such filing be paid before the filing, unless the clerk has provided for an electronic payment system for such filing.
 - Requiring a fee for such filing that is greater than the applicable fee for the filing of pleadings or documents in paper format.

Clerks of court authorization

- Removes the requirement that funds for the computerization of municipal and common pleas court clerks' offices be authorized and disbursed by the court, and instead permits the clerk to do so if the clerk has been elected.
- Removes the requirement that funds for the computerization of county court clerks' offices be authorized and disbursed by the court, and instead permits the clerk to do so.
- Specifies that, in a county in which the clerk of the court of common pleas is appointed, the county executive must authorize and disburse those funds

Municipal and county court additional fee increase

- Permits municipal and county courts to increase the maximum amount of their additional fees from \$10 to \$20 to cover the computerization of the clerk's office.

Liquor Control laws

A-3a liquor permit: manufacturing limit

- Revises the limit on the gallons of spirituous liquor that a micro-distillery (A-3a liquor permit holder) may manufacture each year as follows:

- Increases the amount from less than 100,000 gallons to any amount if the micro-distillery is issued an A-3a permit prior to the bill's effective date, regardless of whether the permit premises location or the premises' ownership is transferred and the permit holder is issued a new A-3a permit after the bill's effective date.
- Retains the 100,000 gallon limit for a distiller that begins manufacturing spirituous liquor under an A-3a permit on and after the bill's effective date.

Tasting samples of spirituous liquor

- Requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free, rather than requiring at least a 50¢ charge for each tasting sample as under current law.

Grains of paradise as adulterated alcohol

- Removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.

Recorded documents and electronic modernization

- Requires counties to provide an electronic means of recording instruments and of accessing recorded instruments by June 30, 2026.
- Allows county recorders to charge a document preservation surcharge.
- Increases the recording fee for living wills, health care powers of attorney, and instruments related to personal property.
- Appropriates \$6 million for use by the Office of the Treasurer to distribute funds to reimburse counties to implement the bill's provisions.

Powers of attorney

- Modifies requirements regarding powers of attorney utilized for the execution of real property instruments.

Mortgage subrogation

- Allows a mortgage that was used to satisfy a previous mortgage to be subrogated to the priority of (have the same priority as) the previous mortgage if certain conditions are met.
- Prohibits a mortgage lender seeking subrogation from being denied subrogation for specifically enumerated reasons.
- Provides that the holder of a subordinate mortgage or lien retains the same subordinate position had the previous mortgage or lien not been satisfied.

Rental property owner's agent

- Allows a rental property owner's agent to file the owner's contact information with the county auditor.

Community reinvestment areas

- Clarifies a law that allows political subdivisions that enter into a community reinvestment area (CRA) property tax exemption agreement to claw back exempted taxes if the property does not comply with the agreement.

Stock state banks

- Expands the list of reasons a stock state bank can amend its articles of incorporation to include reasons permitted under Ohio Corporation Law.

Law enforcement tows

- Expands the type of law enforcement entities that may order the towing of a motor vehicle to include a university campus police department, a park district police force, and natural resources officers and wildlife officers of the Department of Natural Resources (ODNR).
- Grants a university campus police department, a park district police force, and the Department of Natural Resources the authority to dispose of an unclaimed towed motor vehicle or an abandoned junk motor vehicle.
- Emphasizes that the owner or lienholder of a motor vehicle towed by law enforcement is responsible for any expenses and charges incurred in the towing and storage of the motor vehicle.

Documentary service charges

- Increases the maximum documentary service charge that may be imposed as part of the sale or lease of a motor vehicle.
- Requires the Registrar of Motor Vehicles to annually determine an updated maximum charge based on the cumulative percentage change to the Consumer Price Index (CPI) since July 2006.
- Requires the Registrar to publish the updated maximum charge on a website maintained by the Department of Public Safety.
- Retains a provision in current law that limits the amount of the charge to 10% of the sale or lease price.

Lender-provided certificate of title

- Repeals a requirement that a lender provide the purchaser of a motor vehicle with a physical certificate of title following full payment of the loan, at no extra cost to the purchaser.
- Waives unpaid fines for violations of that requirement.
- Requires a lender, instead, to send a written notice, including through electronic communication, to the owner of the motor vehicle referring them to the Bureau of

Motor Vehicles (BMV) website for information on titling options, either when the owner takes out the loan or discharges it.

- Requires the BMV to include titling options, including fees, on its website for owners to reference after their motor vehicle loan is discharged.

Public depositories

- Eliminates prohibition against financial institutions that are subject to a cease-and-desist order form serving as a public depository.
- Requires public depositories to notify the governing board if the depository becomes party to an active prompt corrective action directive.
- Specifies that institutions are ineligible to serve as public depositories while under a prompt corrective action directive unless authorized by a governing board.
- Relieves certain public officials from liability for loss of public moneys deposited in a failed public depository.

Other appropriations

- Appropriates \$2 million to the Department of Higher Education, to a fund utilized for educator preparation programs.

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DETAILED ANALYSIS

Campus accountability and modernization

Policy on harassment and intimidation

The bill requires each state institution of higher education and private for-profit college to adopt and enforce a policy on racial, religious, and ethnic harassment and intimidation at the institution. Under the bill, an “institution of higher education” is a state institution of higher education (any state university, university branch, community college, state community college, or technical college) or a private for-profit college (a degree-granting private, for-profit career college or school).¹ The bill also requires each private nonprofit institution of higher education to adopt a policy on racial and ethnic harassment and intimidation at the institution.²

The bill defines “harassment” as unwelcome conduct that is so severe, pervasive, and objectively offensive that it effectively denies an individual equal access to the individual’s education program or activity. The bill defines “intimidation” as a violation of ethnic intimidation as described under Ohio criminal law.³

Under the bill, an institution’s policy must include training for all institution administration, faculty, and staff, that provides information on how to respond to hate incidents or harassment that occur during a class or event held at the institution, at the time such an incident occurs. The training may be provided online.⁴

Each state institution of higher education and private for-profit college’s policy also must include a procedure under which the institution accepts and investigates student complaints and allegations of racial, religious, or ethnic harassment or intimidation against any student, staff, or faculty member. Each private nonprofit institution of higher education’s policy must include the same, except that complaints of religious harassment or intimidation are excluded. The procedure must include an option for anonymous reporting of complaints and threats and potential disciplinary actions that may be taken after an investigation is conducted. The procedure must also include any mandatory communications, regardless of whether disciplinary action is taken. These communications may include educational information on the institution’s policy against racial, religious, and ethnic harassment and intimidation.⁵

The bill requires each institution to ensure that, to the extent possible and as needed, its campus security and police department, if the institution has one, collaborates with local law enforcement, the state highway patrol, and student communities to provide security functions for institutionally sanctioned student organizations that face threats of terror attack or hate

¹ R.C. 3320.05(A) and (B); see also R.C. 3345.011, not in the bill.

² R.C. 3320.06(A).

³ R.C. 3320.05(A); see also R.C. 3345.0211 and 2927.12, not in the bill.

⁴ R.C. 3320.05(B)(1) and 3320.06(A)(1).

⁵ R.C. 3320.05(B)(2)(c) and 3320.06(A)(2).

crimes. For private nonprofit institutions, the bill specifies that those functions must be consistent with institutional policies.⁶

Under the bill, each state institution of higher education and private for-profit college must create a campus task force on combating antisemitism, Islamophobia, anti-Christian discrimination, and hatred, harassment, bullying, or violence toward others on the basis of their actual religious identity or what is assumed to be their religious identity at the institution. Private nonprofit institutions of higher education are required to do the same, except that whether those actions are taken on the basis of one's actual religious identity or what is assumed to be their religious identity at the institution is excluded.⁷

The bill states that none of the requirements related to a state institution or private for-profit college's policy on harassment and intimidation at an institution may be construed to diminish or infringe upon any right protected by the First Amendment to the United States Constitution, Article I of the Ohio Constitution, or noncommercial expressive activity under Ohio law.⁸ For private nonprofit institutions, the bill states that in the event of a conflict between the policy requirements and the U.S. Constitution, any other provision of federal law applicable to nonprofit institutions of higher education, or Article I, Sections 3 and 11 of the Ohio Constitution, the other provision of law controls.⁹

Committee on harassment and intimidation

The bill requires the Chancellor of Higher Education to establish a committee on combating antisemitism and other forms of racial, religious, and ethnic harassment and intimidation.¹⁰ The committee must consist of representatives from each of the following:

1. Legal counsel from state institutions or private for-profit colleges;
2. Offices of student life from state institutions or private for-profit colleges;
3. Institutionally sanctioned student organizations from state institutions and private for-profit colleges;
4. The Inter-University Council of Ohio;
5. The Ohio Association of Community Colleges;
6. Organizations representing faith-based communities;
7. Organizations representing racial and ethnic communities; and
8. Any other stakeholders determined appropriate by the Chancellor.

⁶ R.C. 3320.05(C) and 3320.06(B).

⁷ R.C. 3320.05(D) and 3320.06(C).

⁸ R.C. 3320.05(E).

⁹ R.C. 3320.06(D).

¹⁰ Section 8.

The bill requires the committee to develop a model policy, guidance, best practices, and recommendations for further action for policies adopted by state institutions and private for-profit colleges under the bill. The committee must include all of the following in its model policy, guidance, best practices, and recommendations:

1. A review of current investigation procedures and recommendations to increase transparency of the process and outcome that is allowable under existing state and federal law;
2. Model training requirements for all institution administration, faculty, and staff providing information on how to respond to hate crimes or incidents of harassment or intimidation during a class or event held at an institution at the time the incident occurs;
3. Best practices for collaboration with local, state, and federal law enforcement to enhance security functions for students that face threats of terror attacks and hate crimes;
4. A framework to promote an institution's conduct policies;
5. Recommended definitions to incorporate in policies adopted under the bill; and
6. Model procedures for investigating student complaints submitted through procedures developed under the bill including communication to students on complaints submitted to institutions.

The bill requires the Chancellor to issue a report containing the committee's model policy, guidance, best practices, and recommendations by the first day of July following the bill's effective date. The Chancellor must submit the report to the Governor, President and Minority Leader of the Senate, and Speaker and Minority Leader of the House of Representatives.

Harassment and intimidation reports

Under the bill, each state institution of higher education, private for-profit college, and private nonprofit institution of higher education must submit an annual report to the Chancellor of Higher Education of all harassment and intimidation reports submitted to the federal government consistent with the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics or "Clery" Act.¹¹

Information on time, place, and manner restrictions

The bill requires each state institution of higher education to publicize any time, place, or manner restrictions it places on the expressive activities of its students.¹²

Under law unchanged by the bill, "expressive activities" include any lawful verbal, written, audiovisual, or electronic means by which individuals may communicate ideas,

¹¹ R.C. 3320.07; see also 20 United States Code (U.S.C.) 1092(f).

¹² R.C. 3320.08.

including all forms of peaceful assembly, protests, speeches, distribution of literature, carrying and displaying signs, and circulating petitions. State institutions of higher education are generally prohibited from barring noncommercial expressive activity on campus so long as an individual's conduct is lawful and does not materially and substantially disrupt the functioning of the institution. One of the exceptions to this prohibition is for reasonable time, place, and manner restrictions specifically developed in service of a significant institutional interest. Such restrictions are permitted only when they employ clear, published, viewpoint- and content-neutral criteria and provide for ample alternative means for expressive activities.¹³

Campus Student Safety Grant Program

The bill requires the Chancellor to establish and administer the Campus Student Safety Grant Program. Under the program, the Chancellor must award grants to institutions of higher education to enhance security measures and increase student safety. The Chancellor must develop guidelines and procedures for the program, including an application process, criteria for awards, and a method to determine the distribution of awards. The Chancellor must give priority to institutions that demonstrate increased threats of violent crime, terror attacks, hate crimes, or harassment toward students and institutionally sanctioned student organizations at the institution.¹⁴ The bill appropriates \$1 million in FY 2025 to support the program.¹⁵

Campus Community Grant Program

The bill requires the Chancellor to establish and administer the Campus Community Grant Program. Under the program, the Chancellor must provide funding to institutionally sanctioned student organizations at institutions of higher education to support intergroup and interfaith outreach and cultural competency between institutionally sanctioned student organizations. The Chancellor must develop guidelines and procedures for the program, including an application process, criteria for awards, and a method to determine the distribution of awards.¹⁶ The bill appropriates \$1 million in FY 2025 to support the program.¹⁷

Campus Security Support Program

The bill appropriates \$2 million in FY 2025 to the Campus Security Support Program. Under the program, the Chancellor must distribute the appropriated funds to institutionally sanctioned student organizations affiliated with communities that are at risk for increased threats of violent crime, terror attacks, hate crimes, or harassment. The funds are to be used to enhance security measures and increase student safety at institutions of higher education

¹³ R.C. 3345.0211, 3345.0212, and 3345.0213, not in the bill.

¹⁴ R.C. 3333.80.

¹⁵ Section 4.

¹⁶ R.C. 3333.801.

¹⁷ Section 4.

throughout the state. The bill permits the Chancellor to use a portion of the program's funding to administer the program.¹⁸

Financial cost and aid disclosure form

The bill requires state universities and community colleges to provide qualifying students with a financial cost and aid disclosure form. The requirements in the bill begin one year after the bill's effective date.¹⁹

Form distribution requirement

The bill requires state universities²⁰ to provide a financial cost and aid disclosure form to qualifying students as part of the student's initial financial aid packet. Community colleges²¹ are required to provide a financial cost and aid disclosure form to qualifying students with the student's financial aid award letter. A "qualifying student" under the bill is a newly admitted full-time student who is seeking a degree. The form distributed by state universities must be provided to students prior to the institution's student admission decision deadline. State universities and community colleges may provide the form to students electronically.

Form requirements

State universities

The bill requires the financial cost and aid disclosure forms distributed by state universities to include all of the following information:²²

- Costs associated with attendance, including:
 - General and instructional fees;
 - Room and board, or a reasonable estimate if the qualifying student has not selected a room and board plan;
 - Special fees that the state university charges at the time the form is created;
- The qualifying student's aggregate cost of attendance, including instruction, general, and special fees and room and board;
- All available sources of financial aid offered by the state university for which the qualify student is eligible, including:
 - Grants and scholarships the state university is aware of and that it offers, including a description of any requirements for maintaining eligibility;

¹⁸ Section 4.

¹⁹ R.C. 3345.026.

²⁰ "State universities" include public institutions of higher education that are a body politic and corporate.

²¹ "Community colleges" include community colleges, technical colleges, and state community colleges.

²² R.C. 3345.026.

- Federal student loans, including federal direct subsidized and unsubsidized student loans;
- Work study programs, including a description of any requirements for maintaining eligibility;
- The qualifying student's expected net cost of attendance after aggregating financial aid and applying to the student's aggregate cost of attendance;
- The qualifying student's expected monthly education loan payment upon graduation based on federal student loans;
- The income range between the 25th and 75th percentiles for the following:
 - The state university's most recent cohort of graduates;
 - The state university's cohort of graduates who graduated five years prior to the qualifying student's admission;
 - If the qualifying student has declared a major or enrolled in a particular school at the state university, income ranges for graduates who had that major or were enrolled in that school.

The form is limited to one double-sided page in length when printed.

Community colleges

The bill requires financial cost and aid disclosure forms provided by community colleges to include all of the same information required for state universities above, except for the income ranges described in the sixth item of the above list. Instead, community colleges must provide qualifying students a link to a page on the college's website containing information on those income ranges with the student's acceptance letter.

Additionally, the bill clarifies that the requirements of the bill may not be construed to prohibit community colleges from providing financial counseling, including advising students on expected monthly loan payments for the total loan amounts a student may borrow.

As with state universities, the forms provided by community colleges may not exceed one double-sided page in length when printed.²³

Form template

The bill requires the Chancellor of Higher Education to develop a financial cost and aid disclosure form template or approve an existing alternative that addresses the above requirements. The Chancellor must develop or approve the template in consultation with the United States Department of Education and financial aid directors from state institutions of higher education to ensure alignment with the U.S. Department of Education's College

²³ R.C. 3345.026(D).

Financing Plan and other federal financing tools. State universities and community colleges are required to base their forms on the template developed by the Chancellor.²⁴

Educator preparation program report

The bill requires the Chancellor of Higher Education to conduct a survey of each undergraduate and graduate educator preparation program for teachers and administrators that is offered by an institution of higher education.²⁵ The survey's purpose is to determine what instruction the programs are providing to students in mental and behavioral health, behavior management, and classroom management, including how they are incorporating education on adverse childhood experiences and trauma. The survey must focus on the current instruction provided by the preparation programs, including all of the following:

- Processes for establishing a positive school and classroom climate;
- Knowledge of the reasons for disruptive behaviors and how teacher and administrator actions impact the classroom and school climate;
- Evidence-based techniques for preventing, managing, and responding to mild, moderate, and more disruptive student behaviors;
- Processes for fostering and maintaining positive teacher and student relationships;
- Procedures for designing and using trauma-informed instructional approaches;
- Processes for using restorative practices in response to disruptive behaviors;
- Techniques provided to teachers and administrators to manage their own stress and foster their own well-being.

The Chancellor must create the survey in conjunction with the Department of Education and Workforce. The Chancellor and the Department must use the survey results to develop a summary of the instructional strategies, practices, and content of surveyed preparation programs, including institution-level summaries. And, within one year after the bill's effective date, the Chancellor and Department must develop a report that analyzes the survey's findings to make recommendations for evidence-based and evidence-informed strategies, practices, and content to address identified needs and equip educators to support student academic success and well-being from early childhood education through grade 12. The recommendations must address the following:

- Classroom management;
- Behavior management;
- Mental health education;

²⁴ R.C. 3345.026(B), (D), and (E).

²⁵ R.C. 3333.0419.

- The impact of adverse childhood experiences and trauma on students.

The report must be distributed to the Governor, the General Assembly, and school districts. The bill appropriates \$150,000 to the Department of Higher Education support this requirement.²⁶

Filing of pleadings and documents

Court of common pleas

Filing in paper or electronic format

Continuing law provides that pleadings or documents may be filed with the clerk of the court of common pleas in paper format or in electronic format.²⁷

Pleadings and documents filed in paper format may be converted to an electronic format. Documents created by the clerk of court in the exercise of the clerk's duties may be created in an electronic format.²⁸

Official record

Under continuing law, when pleadings or documents are received or created in, or converted to, an electronic format, the pleadings or documents in that format must be considered the official version of the record.²⁹

Filing of pleadings or documents in electronic format

The bill requires the clerk to determine whether the filing of pleadings or documents in electronic format may be accomplished by electronic mail or through the use of an online platform.³⁰

The fee for the filing of pleadings or documents in electronic format may be paid after the filing. The clerk must not do either of the following:³¹

- Require that any fee for such filing be paid before the filing, unless the clerk has provided for an electronic payment system for such filing.
- Require a fee for such filing that is greater than the applicable fee for the filing of pleadings or documents in paper format.

²⁶ Section 4.

²⁷ R.C. 2303.081(A).

²⁸ R.C. 2303.081(C).

²⁹ R.C. 2303.081(D).

³⁰ R.C. 2303.081(B)(1).

³¹ R.C. 2303.081(B)(2) and (3).

The bill's provisions above do not apply to the filing of pleadings or documents in a probate court or juvenile court.³²

The bill applies the provision in the law described above in "**Official record**" to its provisions.³³

Municipal court and county court

Filing in paper or electronic format

The bill provides that, beginning not later than 270 days after the bill's effective date, pleadings or documents may be filed with the clerk of a municipal court or the clerk of a county court either in paper format or in electronic format.³⁴

Pleadings and documents filed in paper format may be converted to an electronic format. Documents created by the clerk of a municipal court or of a county court in the exercise of the clerk's duties may be created in an electronic format.³⁵

Filing of pleadings or documents in electronic format

The bill requires the clerk of a municipal court or the clerk of a county court to determine whether the filing of pleadings or documents in electronic format may be accomplished by electronic mail or through the use of an online platform.³⁶

The fee for the filing of pleadings or documents in electronic format may be paid after the filing. The clerk must not do either of the following:³⁷

- Require that any fee for such filing be paid before the filing, unless the clerk has provided for an electronic payment system for such filing.
- Require a fee for such filing that is greater than the applicable fee for the filing of pleadings or documents in paper format.

Official record

Under the bill, when pleadings or documents are received or created in, or converted to, an electronic format, the pleadings or documents in that format must be considered the official version of the record.³⁸

³² R.C. 2303.081(B)(4).

³³ R.C. 2303.081(D).

³⁴ R.C. 1901.313(A) and 1907.202(A).

³⁵ R.C. 1901.313(C) and 1907.202(C).

³⁶ R.C. 1901.313(B)(1) and 1907.202(B)(1)

³⁷ R.C. 1901.313(B)(2) and (3) and 1907.202(B)(2) and (3).

³⁸ R.C. 1901.313 (D) and 1907.202(D).

Clerks of court authorization

Under current law municipal court clerks, county court clerks, and common pleas court clerks are not allowed to disburse funds for the computerization of the courts. Under current law the court clerks must be authorized by the court and funds must be disbursed by the court.

The bill removes the requirement that funds for the computerization of municipal court clerks' offices be authorized and disbursed by the court instead permits the clerk to do so if the clerk has been elected, and retains the requirement for appointed clerks.³⁹

The bill removes the requirement that funds for the computerization of county court clerks' offices be authorized and disbursed by the court and instead permits the clerk to do so.⁴⁰

The bill removes the requirement that funds for the computerization of common pleas court clerks' offices be authorized and disbursed by the court and instead permits the clerk to do so if the clerk has been elected, and retains the requirement for appointed clerks. The bill also specifies that, in a county in which the clerk of the court of common pleas is appointed, the county executive must authorize and disburse those funds.⁴¹

Municipal and county court additional fee increase

Continuing law provides that municipal and county courts may determine that additional funds are needed to computerize the offices of the clerks of court for efficient operation. The bill increases the additional fee municipal and county courts may include in their fees and costs schedule from not more than \$10 to not more than \$20 for electronic filing or related electronic tasks.⁴²

Liquor Control laws

A-3a liquor permit: manufacturing limit

The bill increases the amount of spirituous liquor (intoxicating liquor of more than 21% alcohol by volume) that a micro-distillery (A-3a liquor permit holder) may annually manufacture under certain conditions. Under current law, to be eligible for an A-3a permit, a micro-distillery must manufacture less than 100,000 gallons per year. The bill increases that amount to any amount for a micro-distillery issued an A-3a permit prior to the bill's effective date. The removal of the 100,000 gallon limitation applies regardless of whether the permit premises location or ownership of the permit premises is transferred and the permit holder is issued a new A-3a permit. The bill retains the 100,000 gallon per year limit for a micro-distillery issued an A-3a permit on and after the bill's effective date.⁴³

³⁹ R.C. 1901.261(B).

⁴⁰ R.C. 1907.261(B).

⁴¹ R.C. 2303.201(B).

⁴² R.C. 1901.261(B)(1) and 1907.261(B)(1).

⁴³ R.C. 4303.041(A).

Under current law, the Division of Liquor Control may issue two types of liquor permits to distillers of spirituous liquor, an A-3 and an A-3a liquor permit. An A-3 permit is generally issued to large distilleries (100,000 gallons or more per year) and the A-3a permit is issued to micro-distilleries (less than 100,000 gallons per year). Although both distilleries may manufacture spirituous liquor, only an A-3a permit holder may sell spirituous liquor to a personal consumer in sealed containers for consumption off the manufacturing premises.⁴⁴ Thus, the bill allows larger distilleries (via the increase in the production limit for A-3a permit holders) to sell their spirituous liquor to personal consumers from their distilleries.

Tasting samples of spirituous liquor

The bill requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free rather than requiring at least a 50¢ charge for each tasting sample as under current law. The bill retains the following current requirements for the provision of the tasting samples:

- The person consuming the tasting sample must be 21 or above;
- The tasting sample must not exceed a quarter ounce;
- The tasting event must not exceed two hours;
- A person may not consume more than four tasting samples of spirituous liquor per day;
- The tasting samples must be provided by a trade marketing professional, broker, or solicitor (see below);
- The liquor agency store must hold a D-8 liquor permit, which authorizes the provision of the tasting samples; and
- The tasting event must take place in the area of the liquor agency store in which spirituous liquor is sold.⁴⁵

Trade marketing professionals, brokers, and solicitors

Under current law, a broker is a company that solicits sales of alcoholic beverages on behalf of a manufacturer or supplier, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws. A solicitor is an individual who solicits liquor permit holders or the Division of Liquor Control for sales of alcoholic beverages on behalf of a manufacturer, supplier, wholesale distributor, or broker, but does not take possession of the alcoholic beverages in Ohio, except as provided in the liquor control laws.⁴⁶ A trade marketing professional is an individual who is an employee of, or is under contract with, a trade marketing

⁴⁴ R.C. 4303.04, not in the bill, and 4303.041.

⁴⁵ R.C. 4301.17 and 4301.171.

⁴⁶ R.C. 4301.245(A)(1), not in the bill, by reference to Ohio Administrative Code 4301-1-01(B).

company and who has successfully completed a training program on the liquor control laws, conflict management, and safety provisions in an emergency.⁴⁷

Grains of paradise as adulterated alcohol

The bill removes grains of paradise from the list of substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.⁴⁸

Recorded documents and electronic modernization

Electronic recording for real property and other instruments

The bill requires each county recorder, county auditor, and county engineer to provide an electronic method for recording instruments related to the conveyance of real property. The electronic method must be available not later than June 30, 2026, and must adhere to the county's standards governing conveyances (adopted by the county auditor and county engineer).⁴⁹ The bill also requires county recorders to provide an electronic method for recording certain instruments not related to the conveyance of real property.⁵⁰ For instance, this would include instruments regarding personal property transactions.⁵¹ Various instruments both related to and not related to the conveyance of real property are recorded with the county recorder under continuing law, including deeds, easements, and mortgages.⁵² Neither electronic recording method (for real property conveyances or for other conveyances) needs to provide for the recording of instruments that are exempt from recording under the county's standards (discussed above) or under the minimum standards for boundary surveys.⁵³

Continuing law requires the payment of certain fees for recording instruments with the county recorder's office. The bill specifies that payments of fees for electronically recording an instrument may be made by electronic funds transfer, automated clearing house, or other electronic means.⁵⁴

Indexes and instruments available online

A county recorder also is required to make electronic indexes and electronic versions of instruments available to the public via the county recorder's website. The indexes and instruments must be available not later than June 30, 2026, and must include all instruments

⁴⁷ R.C. 4301.245(A)(5). A trade marketing company is a company that solicits the purchase of beer and intoxicating liquor and educates the public about beer and intoxicating liquor (R.C. 4301.171(A)(3)).

⁴⁸ R.C. 4399.15.

⁴⁹ R.C. 319.203, not in the bill, and R.C. 317.13(E)(1).

⁵⁰ R.C. 317.13(E)(2).

⁵¹ R.C. 317.08(D), not in the bill.

⁵² R.C. 317.08, not in the bill.

⁵³ R.C. 317.13(E)(3). The minimum standards for boundary surveys are promulgated by the Board of Registration for Professional Engineers and Surveyors. See Ohio Administrative Code Chapter 4733-37.

⁵⁴ R.C. 317.32.

recorded on or after January 1, 1980.⁵⁵ The bill allows a county recorder to require a username and password to access the electronic indexes and instruments, but a county recorder cannot require a fee to create a username and password or to otherwise access the electronic indexes and instruments.⁵⁶

County Recorder Electronic Record Modernization Program

The bill creates the County Recorder Electronic Record Modernization Program, administered by the Office of the Treasurer, to distribute funds to reimburse counties to assist the county recorder in satisfying the bill's requirements. A county is only eligible to receive a grant under the program if the county recorder does not currently satisfy the bill's requirements, and the funds can only be used to reimburse expenses that are incurred after the bill's effective date. The bill appropriates \$6 million to fund the program. A county that receives funds must reimburse the county recorder's technology fund to the extent costs have been incurred from the fund. Finally, a county that receives funds has discretion whether to hire new staff or enter into a contract with a private entity to implement the bill's requirements.⁵⁷

Document preservation surcharge

Under current law, a county recorder charges the following fees for recording and indexing most instruments using a photocopy or similar process:

- For the first two pages, a base fee of \$17 and a Housing Trust Fund fee of \$17;
- For each subsequent page, a base fee of \$4 and a Housing Trust Fund fee of \$4.

The bill maintains these fees, and also allows a county recorder to charge a document preservation surcharge of up to \$5, to be placed in the county's general fund.⁵⁸ The bill specifies the surcharge is intended to "support the preservation and digitization of documents and ongoing costs incurred by a county recorder's office to make available to the public a web site with appropriate security features, electronic document hosting, online viewing, print and download features that enable an individual to print or download a copy of a public record from the web site."⁵⁹

Fees for recording personal property transactions

Under current law, a county recorder charges the following fees for recording and indexing instruments related to tangible or intangible personal property transactions using a photocopy or similar process:

⁵⁵ The website does not include veteran discharge papers or any instrument or portion thereof prohibited from being disclosed under federal or state law.

⁵⁶ R.C. 317.13(F).

⁵⁷ Sections 4, 5, 6, and 7.

⁵⁸ R.C. 317.32(A)(1)(b).

⁵⁹ R.C. 317.32(A)(3). The bill also specifies the surcharge is not a base fee, which would require an equal amount to be collected as a Housing Trust Fund fee. R.C. 317.36(C).

- For the first two pages, a base fee of \$14 and a Technology Fund fee of \$14, except the full \$28 is a base fee if the county recorder does not have a Technology Fund.
- For each subsequent page, a base fee of \$4 and a Technology Fund fee of \$4, except the full \$8 is a base fee if the county recorder does not have a Technology Fund.

The bill increases the total fee for the first two pages from \$28 to \$34 (and maintains the equal split at \$17 and \$17 in the case of a county recorder who has a Technology Fund) but does not modify the fee for subsequent pages.⁶⁰ This makes the fees charged for recording and indexing instruments related to personal property transactions match the fees charged for recording and indexing most other documents. The bill does not impose a document preservation surcharge for recording and indexing instruments related to personal property transactions.

Fee for recording living wills and health care powers of attorney

The bill increases the minimum amount a county recorder charges for recording living wills and health care powers of attorney. Currently a recorder charges between \$14 and \$20 as a base fee and between \$14 and \$20 as a Housing Trust Fund fee. The bill changes these to between \$17 and \$20, thus increasing the minimum amount the county recorder charges for each type of fee.⁶¹

Electronic transmission fee

The bill allows a county recorder to charge a base fee of \$1 and a Housing Trust Fund fee of \$1, per page, to *electronically* transmit a document. Currently, transmission *via local facsimile* is a \$1 base fee and a \$1 Housing Trust Fund fee, per page, while transmission *via long distance facsimile* is a \$2 base fee and a \$2 Housing Trust Fund fee, per page.⁶²

Power of attorney pertaining to real property

The bill requires a power of attorney used for the execution of a real property instrument to be properly executed and acknowledged before the real property instrument is executed and acknowledged. Under continuing law, the power of attorney must be recorded before the real property instrument. Under the bill, if executed or known to have been recorded on the same date, the presumption is the power of attorney was executed or recorded before the real property instrument.⁶³

When a power of attorney is not recorded before the real property instrument, but was executed and acknowledged not later than the day the real property instrument was executed, the bill allows the subsequent recording of the power of attorney accompanied by an affidavit. The county record must record the supporting affidavit in the official records, indexed by the

⁶⁰ R.C. 317.32(A)(2).

⁶¹ R.C. 317.32(I).

⁶² R.C. 317.32(H).

⁶³ R.C. 1337.04(B) and (C).

name of the current record owner. The affidavit must be made by any person having knowledge of the facts or competent to testify concerning them in open court; the affidavit must include all of the following:

- The name of the person appearing by record to be the owner of the property described in the real property instrument executed by virtue of the power of attorney, at the time of the recording of the affidavit;
- The permanent parcel number of the property;
- The legal description of the property subject to the real property instrument executed by virtue of the power of attorney;
- The official record reference of the real property instrument executed by virtue of the power of attorney;
- If the power of attorney that the affidavit accompanies is a photocopy rather than the original, a statement that the photocopy is a true and accurate copy and a statement regarding why the original is not being recorded.⁶⁴

When a power of attorney is not recorded, but the real property instrument has been recorded for at least ten years, the instrument is presumed valid.⁶⁵

Finally, the bill specifies the following about these changes:

- The changes are retroactive to the extent allowable under Article II, Section 28 of the Ohio Constitution, which prohibits retroactive legislation that would impair a vested substantive right or a contractual obligation.
- The changes have no effect on the rights of a bona fide purchaser for value who acquired those rights without actual knowledge or constructive notice of the power of attorney, the real property instrument executed by virtue of the power of attorney, or a subsequent supporting affidavit.
- The changes have no effect on the law of constructive notice or chain of title analysis set forth in three cases that hold a purchaser does not have constructive notice of an interest recorded outside the purchaser's chain of title.⁶⁶

⁶⁴ R.C. 1337.04(C).

⁶⁵ R.C. 1337.04(E).

⁶⁶ R.C. 1337.04. The three cases are: *Spring Lakes Ltd. v. O.F.M. Co.*, 12 Ohio St.3d 333 (1984); *Ohio Turnpike Commission v. Spellman Outdoor Advertising Services, LLC*, 2010-Ohio-1705; and *Spellman Outdoor Advertising Services, LLC v. Ohio Turnpike and Infrastructure Commission*, 2016-Ohio-7152. Note: the bill incorrectly refers to changes being made to the section by H.B. 237 of the 134th General Assembly, instead of S.B. 94 of the 135th General Assembly.

Mortgage subrogation

Under the bill, a mortgage that was granted to secure the repayment of funds used to satisfy another mortgage or lien is subrogated to the priority of the mortgage or lien that was satisfied to the extent of the amount satisfied if both of the following apply:

- The intent of the parties to the new mortgage is that the new mortgage would have the priority of the mortgage or lien satisfied.
- The expectation of the holder of a subordinate mortgage or lien at the time that it received its interest was that it would be junior to the mortgage or lien that was satisfied.⁶⁷

In other words, as long as the lender and borrower intend the new mortgage to step into the place of the mortgage being satisfied, and as long as any other subordinate lienholders expected their liens to be subordinate to that prior mortgage, a subsequent mortgage that is used to pay off the prior mortgage has the same priority of the prior mortgage. Priority refers to which creditor gets paid first in the event of a foreclosure.

The bill goes on to prohibit a mortgage lender (mortgagee) seeking this type of subrogation from being denied subrogation for any of the following reasons:

- The mortgagee meets any of the following criteria:
 - The mortgagee is engaged in the business of lending.
 - The mortgagee had actual knowledge or constructive notice of the mortgage or lien over which the mortgagee would gain priority through subrogation.
 - The mortgagee or a third party committed a mistake or was negligent.
- The lien for which the mortgagee seeks to be subrogated was released.
- The mortgagee obtained a title insurance policy.⁶⁸

Lastly, the bill states that notwithstanding its subrogation provisions, the holder of any subordinate mortgage or lien retains the same subordinate position they would have had if the prior mortgage had not been satisfied.⁶⁹

Judgment liens

The bill specifies that, in order for a court's judgment to serve as a lien on land, the judgment certificate must include the last known address, without further inquiry or investigation, of each judgment debtor. The address cannot be a P.O. Box. Continuing law requires other information to be included such as the names of the creditors and debtors, amount of the judgment, and date the judgment is rendered. One item currently required to be

⁶⁷ R.C. 5301.234(A).

⁶⁸ R.C. 5301.234(B).

⁶⁹ R.C. 5301.234(C).

included is the volume and page of the journal entry; the bill modifies this to allow, alternatively, the instrument number of the judgment entry.⁷⁰

Rental property owner's agent

Continuing law requires rental property owners to file their contact information with the county auditor, who maintains the information on the tax list or real property record. The bill allows an owner's *agent* to file the owner's information in lieu of the owner.⁷¹

Community reinvestment areas

The bill clarifies a law that allows political subdivisions that enter into a community reinvestment area (CRA) tax exemption agreement with a commercial or industrial project to claw back exempted taxes if the property does not comply with the agreement.

Background

Under continuing law, counties, municipalities, and home rule townships may designate a CRA in which new construction and building renovations are eligible for property tax exemption. To create a CRA, a subdivision must determine that new housing construction and the repair of existing historically significant buildings in the area has been discouraged. In the resolution creating the CRA, the subdivision specifies a percentage, up to 100%, of the assessed value of improvements that will be exempt and the term of the exemption.

Claw back of exempted taxes

If a CRA will exempt commercial or industrial property, the owner of the property and the political subdivision must enter into an agreement governing the terms of the exemption. In that agreement, the subdivision may specify the circumstances under which the subdivision can revoke the CRA agreement if the property owner does not comply with the agreement, and the manner by which the subdivision could claw back exempted taxes.

Currently, the subdivision must specify a claw back method in the agreement. The bill removes this requirement and instead allows, but does not require, the subdivision to specify a claw back method. It also specifies that potential claw back methods may include a legal action, a lien on the property, or "other means." If the subdivision places a lien on the property, the bill requires that the lien be treated in the same manner as a mortgage lien.⁷²

Stock state banks

The bill expands the list of reasons a stock state bank can amend its articles of incorporation to include reasons permitted under Ohio Corporation Law. Under continuing law, after the subscriptions of shares have been received by the incorporators of the bank, the

⁷⁰ R.C. 2329.02.

⁷¹ R.C. 5323.02.

⁷² R.C. 3735.671.

board of directors may adopt amendments to the bank's articles of incorporation, but only for specific reasons listed in the law, including all of the following:

- At certain times to authorize the shares necessary to meet conversion or option rights;
- To reduce the authorized number of shares of a class by the number of shares of that class that been redeemed, or have been surrendered to or acquired by the bank upon conversion, exchange, purchase, or otherwise, or to eliminate from the articles of incorporation all references to the shares of a class, and to make any other change required, when all of the authorized shares of that class have been redeemed, or surrendered to or acquired by the bank;
- To reduce the authorized number of shares of a class by the number of shares of that class that were canceled for not being issued or reissued and for not being fully paid in within one year after the date they were authorized or otherwise became authorized and unissued shares.

The bill adds that the board of directors can also amend the articles of incorporation for any purpose authorized by the Ohio Corporation Law.⁷³

Law enforcement tows

Law enforcement entities

The bill expands the types of law enforcement entities that may order the towing of a motor vehicle to include a university campus police department, a park district police force, and a natural resources officer or wildlife officer of the Department of Natural Resources (ODNR). Under current law, a state highway patrol trooper, the sheriff of a county, or the chief of police of a municipal corporation, township, port authority, or township or joint police district may order into storage a motor vehicle that comes into their possession through their law enforcement duties or that was abandoned on a public street or public property.⁷⁴ After following specified notice procedures, and if a motor vehicle remains unclaimed after ten days, the sheriff or chief may dispose of the motor vehicle either by public auction, to a motor vehicle salvage dealer or similar facility, or to the towing service or storage facility.

The bill makes all of the current law procedures for towing, storage, and disposal of motor vehicles available to a university campus police department, a park district police force, and ODNR (via natural resources officers and wildlife officers) within their territorial jurisdiction.⁷⁵ Furthermore, the bill makes the current law procedures for photographing and recording the information of abandoned junk vehicles, disposing of abandoned junk vehicles,

⁷³ R.C. 1113.13; R.C. 1701.70, not in the bill.

⁷⁴ Depending on the type of motor vehicle, the location of the motor vehicle, and the general circumstances of the situation, the trooper, sheriff, or chief may order the motor vehicle towed immediately, after 48 hours, or after an otherwise specified period of time.

⁷⁵ R.C. 4513.61 and 4513.62.

and removing highway obstructions after an accident available to these entities within their territorial jurisdiction.⁷⁶

Money from disposal

The bill also expands the list of entities that may receive money arising from the disposal of an unclaimed towed motor vehicle or an abandoned junk motor vehicle. Under current law, that money must be deposited into the general fund of the county, township, conservancy district, or municipal corporation where the vehicle was abandoned. The bill adds port authorities, universities, and park districts as entities that may receive that money in their general fund. Furthermore, regarding the disposition of unclaimed towed motor vehicles ordered into storage by ODNR officers and regarding the disposition of abandoned junk motor vehicles within ODNR's jurisdiction, the bill requires any proceeds from the disposition to be deposited as follows:

- To the Wildlife Fund if the motor vehicle was removed from property under the control or jurisdiction of ODNR's Division of Wildlife; or
- To the State Park Fund if the motor vehicle was removed from any ODNR property other than property under the control or jurisdiction of the Division of Wildlife.⁷⁷

Additionally, the bill clarifies that after any authorized law enforcement agency orders the towing and storage of a motor vehicle, the applicable sheriff or chief of police (or ODNR) must send notice of the tow to *both* the owner and any lienholder of the motor vehicle. Current law is unclear if the notice must be sent to *either* the owner or lienholder (just one) or to both individuals/entities.⁷⁸

Responsible entity for expenses and charges

The bill emphasizes that the owner or lienholder of a motor vehicle that is towed by order of law enforcement is responsible for any expenses and charges that are incurred in the towing and storage of the motor vehicle.⁷⁹ Current law already places the responsibility on the owner and lienholder for such charges within the Towing Law. However, a conflict arises when the towed motor vehicle is also a stolen motor vehicle and the owner was not the cause of the motor vehicle needing to be towed.

Specifically, another provision in the Victim's Rights Law states that a law enforcement agency responsible for investigating a criminal offense or delinquent act must promptly return to the victim "any property of the victim that was taken in the course of the investigation." Additionally, that law states the victim cannot "be compelled to pay any charge as a condition

⁷⁶ R.C. 4513.63, 4513.64, and 4513.66.

⁷⁷ R.C. 4513.62 and 4513.63.

⁷⁸ R.C. 4513.61(C).

⁷⁹ R.C. 4513.61.

of retrieving that property.”⁸⁰ Given that the bill amends the Towing Law and not the Victim’s Rights Law, it is unclear whether the bill’s changes resolve the current conflict for stolen vehicles that are subject to towing and storage charges.

Documentary service charges

The bill increases the maximum documentary service charge that a dealer may impose as part of the sale or lease of a motor vehicle. Generally, sellers are prohibited from charging an additional fee for document services as part of a retail installment contract. However, continuing law allows an exception for such charges if they were customarily and presently paid in a particular business on March 9, 1949. Documentary service charges are imposed today by motor vehicle dealers and sellers of mobile and manufactured homes.

Under current law, a motor vehicle dealer may charge the lesser of \$250, or 10% of the amount paid for the motor vehicle by the buyer or lessee (excluding tax, title, and registration fees, and any negative equity adjustment). The bill retains the 10% ceiling, but requires the Registrar of Motor Vehicles to adjust the \$250 threshold to account for increases in the Consumer Price Index (CPI), dating back to July 1, 2006. The adjustment is made by adding \$250 to the product of \$250 times the cumulative change in CPI (U.S. city average for urban wage earners and clerical workers: all items) since that date. The resulting amount is then rounded to the nearest whole dollar. For example, the cumulative change to CPI between July 2006, and April 2024, is about 54.5%. So an adjustment made in April 2024, would result in a maximum documentary service charge of \$386; $(\$250 \times 0.545) + \$250 = \$386.31$.

The Registrar is required to make the adjustment on the effective date of the bill, then annually thereafter on the last day of September. The first adjustment applies to motor vehicle sales and leases on the effective date of the bill until the last day of December following the second required adjustment. All subsequent adjustments apply to motor vehicle sales and leases in the calendar year following the date of the adjustment. The bill stipulates that the adjusted maximum documentary service charge cannot be less than that which applied to the preceding adjustment period. If the required calculation produces a lesser amount, the amount determined for the previous adjustment period continues to apply. The bill also allows the Registrar to use a different measure for inflation if CPI is no longer published.

The Registrar is required to publish the adjusted maximum charge and the dates to which it applies on a website maintained by the Department of Public Safety.⁸¹

Lender-provided certificate of title

The bill repeals a requirement, enacted in 2023 by H.B. 23 of the 135th General Assembly (the transportation budget), that a holder of a security interest on a motor vehicle (“lender”) provide the purchaser of a motor vehicle with a physical certificate of title following full payment of the security interest (“loan”) on the motor vehicle. The certificate of title must

⁸⁰ R.C. 2930.11, not in the bill.

⁸¹ R.C. 4517.261 and 1317.07.

be provided at no extra cost to the purchaser (i.e., the typical \$15 fee).⁸² Instead, the bill requires the lenders to send a written notice (either physical or electronic) to the motor vehicle owner that refers them to the Bureau of Motor Vehicles (BMV) website for information on titling options. The lender may send the notice either when the owner enters into the loan (typically at the time of purchase) or when the owner finishes paying the loan.⁸³ The requirement to send these notices begins either on January 1, 2025, or on the bill's effective date, whichever occurs later.⁸⁴

Relatedly, the bill requires the BMV to include information regarding titling options, including the fees, on its website for motor vehicle owners to reference after finalizing payment on their loans.⁸⁵ Furthermore, the bill waives any unpaid fines on lenders who did not send physical certificates of title to motor vehicle owners per the current law requirements. Current law, unchanged by the bill, imposes a default penalty of up to \$200 in fines for violations of the Motor Vehicle Title Law.⁸⁶

Public depositories

Banks and other eligible financial institutions may become public depositories and receive public moneys of the state, political subdivisions, school districts, and other public entities. Under current law, no institution is eligible to become a public depository or receive any new public deposit if it or any of its directors, officers, employees, or controlling shareholders or persons is currently a party to an active final or temporary cease-and-desist order issued to ensure the safety and soundness of the institution.⁸⁷

The bill removes this prohibition and instead requires any financial institution, including an eligible credit union, that is designated as a public depository to notify the designating governing boards if the institution becomes party to an active prompt correction action directive ("directive") issued by a regulatory authority of the United States.⁸⁸ A prompt corrective action directive is a directive issued by the National Credit Union Administration Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Board of Governors of the Federal Reserve System.⁸⁹

While party to a directive, an institution is generally ineligible to serve as a public depository. However, the bill permits a governing board to allow the public depository to

⁸² R.C. 4505.131 (repealed); See the [LSC Final Analysis for H.B. 23 \(PDF\)](#), which is available on the General Assembly's website: legislature.ohio.gov.

⁸³ R.C. 4505.13.

⁸⁴ Section 10.

⁸⁵ R.C. 4505.13.

⁸⁶ Section 9; R.C. 4505.99, not in the bill.

⁸⁷ R.C. 135.032 and 135.321.

⁸⁸ R.C. 135.032(B).

⁸⁹ R.C. 135.032(A); 12 U.S.C. 1790d and 12 U.S.C. 1831o.

continue to operate as a public depository, or to designate the institution as a public depository for subsequent designation periods, if the governing board determines that doing so is in the public interest.⁹⁰ If a governing board makes this determination and public moneys are lost due to the failure of the public depository, the following people are relieved from liability for that loss: the governing board's treasurer and deputy treasurer; an executive director, director, or other person employed by the governing board, its treasurer, or its deputy treasurer; and bondspersons and surety of any of the above.⁹¹

Miscellaneous

The bill appropriates \$2 million to the Department of Higher Education, to a fund utilized for educator preparation and science of reading programs.⁹²

HISTORY

Action	Date
Introduced	03-23-23
Reported, S. Financial Institutions and Technology	04-23-24
Passed Senate (30-1)	05-08-24
Reported, H. Finance	---

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⁹⁰ R.C. 135.032(C) and (D).

⁹¹ R.C. 135.032(E).

⁹² Section 4.