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H.B. 479
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 479's Bill Analysis

Version: As Reported by Senate Finance

Primary Sponsor: Rep. Schmidt

Local Impact Statement Procedure Required: No

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Highlights

- The bill appropriates $310,000,000 from the Department of Medicaid's Fund 5SA4 appropriation line item (ALI) 651615, Nursing Facility Providers, and $565,000,000 from federal Fund 3F00 ALI 651623, Medicaid Services – Federal, to make payments to nursing facility providers as required by the Supreme Court's 2025 decision in LeadingAge Ohio v. Ohio Dept. of Medicaid. The appropriation from Fund 5SA4 is supported by a transfer of cash from the FY 2026 ending GRF balance.
- The bill appropriates $350,000,000 from the Property Tax Relief Fund (Fund 5EA1) to reimburse local governments for a one-year property tax reduction created by the bill, including an earmark of up to $500,000 for implementation costs. The appropriation is supported by a transfer of cash from the FY 2026 ending GRF balance.
- The bill transfers $320,000,000 cash from the FY 2026 ending GRF balance to the Expanded Sales Tax Holiday Fund (Fund 5AX1), which is used to reimburse the state GRF and local governments for foregone sales tax revenues during a sales tax holiday. The bill requires a 15-day sales tax holiday in 2027 running from August 1 to August 15.
- The bill transfers $200,000,000 cash from the FY 2026 ending GRF balance to the Debt Service Reduction Fund (Fund 5DY1) and requires the cash be transferred to capital funds to support capital appropriations in lieu of issuing debt or to pay down existing debt. The provision will reduce future state debt service expenditures.
- The bill modifies the calculation of the homestead exemption, resulting in an increase in taxpayer savings of approximately $44.0 million per year, which increases GRF expenditures by a commensurate amount to reimburse local governments for their tax losses.

- The bill appropriates $40,000,000 in the Department of Behavioral Health Fund 5DN1 ALI 336427, State Post-Traumatic Stress Fund, in FY 2027. Funds are required to be used for medical expense reimbursements to a peace officer, firefighter, or emergency medical worker diagnosed with a "post-traumatic stress injury" without an accompanying physical injury, as well as administrative costs incurred in providing these reimbursements. Under continuing law, Fund 5DN1 will be capitalized by a transfer from the GRF.
- The bill transfers up to $35,000,000 cash from the FY 2026 ending GRF balance to the Budget Stabilization Fund (Fund 7013).
- The bill revises the inside millage inflation limit. This provision is estimated to decrease local property taxes charged by less than $10.0 million each fiscal year beginning in tax year 2026, but it saves county auditors an indeterminate amount by simplifying the forthcoming implementation of the inside millage inflation limit.
- The bill appropriates $3,460,000 in FY 2027 under GRF ALI 725520, Special Projects, in the Department of Natural Resources budget and earmarks this amount for dredging and related dredge material relocation activities at three state lakes.
- The bill appropriates $2,250,000 in GRF ALI 600659, SNAP EBT Modernization, and $750,000 in federal Fund 3840 ALI 600610, Food Assistance Programs, in FY 2027 in the Job and Family Services budget and requires these funds to be used to support the transition to chip-enabled SNAP EBT cards.
- In the Broadcast Educational and Media Commission budget, the bill appropriates $2,055,960 in FY 2027 to GRF ALI 935410, Content, Development, Acquisition, and Distribution, and $44,433 to GRF ALI 935431, Ohio Radio Reading Services Equipment. The bill also eliminates certain capital reappropriations and instead reappropriates outstanding balances in those capital ALIs to these GRF ALIs.
- The bill appropriates $187,000 in FY 2027 in GRF ALI 336425, Specialized Docket Support, under the Department of Behavioral Health and earmarks these funds for the PIVOT pilot program in Hancock, Seneca, and Wood counties.
- In the Auditor of State's budget, the bill reappropriates the available balances of the following earmarks in FY 2026 to the same purposes in FY 2027: (1) $5,000,000 under GRF ALI 070401, Audit Management and Services, for an audit of Medicaid Aged, Blind, and Disabled (ABD) group eligibility and (2) $500,000 under GRF ALI 070402, Performance Audits, for an audit of Ohio's indigent defense services.
- Contingent on the cancellation of existing GRF encumbrances in the Department of Transportation budget, the bill appropriates $3,250,000 in FY 2027 under GRF ALI 775471, State Road Improvements.
- Contingent on the cancellation of existing GRF encumbrances in the Department of Development budget, the bill appropriates $550,000 to GRF ALI 195455, Appalachia Assistance, in FY 2027. The bill also removes a FY 2027 earmark in that ALI of $750,000 for Outdoor Recreation Council of Appalachia and instead earmarks $1,300,000 for Marietta College.

Detailed Analysis

Department of Medicaid

The bill transfers $310,000,000 cash from the FY 2026 ending GRF balance to the Health and Human Services Fund (Fund 5SA4) and appropriates this amount to appropriation line item (ALI) 651615, Nursing Facility Providers, in FY 2026. The bill also appropriates $565,000,000 in the Health Care Federal Fund (Fund 3F00) ALI 651623, Medicaid Services – Federal. The bill reappropriates any unexpended, unencumbered balances of these appropriations at the end of FY 2026 to the same appropriation items in FY 2027. The Department of Medicaid must use the appropriations to make payments to nursing facility providers pursuant to, and to fully finalize and settle, the decision of the Ohio Supreme Court in State ex rel. LeadingAge Ohio v. Ohio Dept. of Medicaid, 180 Ohio St.3d 41 (2025).

Property taxes

One-year property tax reduction

The bill transfers $350,000,000 cash from the FY 2026 ending GRF balance to the newly created Property Tax Relief Fund (Fund 5EA1) and appropriates this amount to reimburse local governments for a one-year property tax reduction created by the bill, including an earmark of up to $500,000 for implementation costs. The property tax reduction is for owners of homes who receive a homestead exemption under continuing law for tax year (TY) 2026 (or TY 2027 for owners of manufactured or mobile homes). To implement the reduction, county auditors must certify the number of homestead exemption properties in the county, and county treasurers must certify the amount of the tax reduction applied to first-half and second-half tax bills payable during calendar year 2027. The Tax Commissioner must calculate the amount of the reduction per eligible home and provide for payment of the reimbursement to each county.

Homestead exemption

The bill modifies the homestead exemption calculation by determining the exemption amount before applying the inflation cap credit created under H.B. 186 of the 136th General Assembly. By removing this credit from the exemption calculation, the bill increases the tax savings for eligible homeowners. The amount of the exemption is expected to increase by up to approximately $44.0 million, beginning in TY 2026. Since the state fully reimburses local governments for their tax revenue losses arising from the homestead exemption, GRF expenditures will increase accordingly while property tax revenues for local governments will remain unchanged.

Inside millage limitation

The bill revises the inside millage inflation limit, which permanently lowers the tax rate in response to property valuation growth that exceeds inflation, as enacted in H.B. 335 of the 136th General Assembly. Inside millage refers to unvoted property tax levies authorized by the Ohio Constitution, and statewide property tax revenue from these levies totaled nearly $4 billion for TY 2024. The revisions in the bill have a comparatively modest fiscal impact and are estimated to decrease local property taxes charged and payable (i.e., before application of the property owner's rollback credits) by less than $10.0 million each fiscal year beginning in TY 2026. Specifically, the bill revises the existing definition of property taxes "charged and payable" so that they are calculated before the application of most other tax reductions, rather than after those

reductions as originally drafted in H.B. 335. These reductions include the owner-occupied rollback, the nonbusiness credit, and homestead exemption. In doing so, the provisions of H.B. 335 become simpler to implement, which will save county auditors an undetermined amount of money when they update programming language in their existing database software.

Elsewhere, the bill newly defines a method for the inside millage rate adjustment applicable to taxing units (e.g., municipalities, school districts) that span multiple counties with different reappraisal or triennial update years. Under the revision, if a taxing unit's territory lies in multiple counties, only the principal county's reappraisal or update year triggers the adjustment process. The "principal county" is defined as the county containing the greatest taxable property value within such territory. The portion of the taxing unit that is not located in the principal county will only be subject to the inside millage inflation limit when the principal county goes into reappraisal or update.

In practice, this change means that the inside millage tax rate reduction will occur no more than once every three years for a given taxing unit. It also creates a fiscal effect that is consistent across all taxing units, regardless of whether the taxing unit is wholly contained within a single county. Absent the bill's provision, it is possible that a taxing unit spanning multiple counties would not incur any inside millage tax rate reductions because its valuation growth occurs in piecemeal fashion over multiple years rather than being evaluated in its totality once every three years. The fiscal effect is indeterminate, but the provision in the bill better reflects the outcome estimated in the fiscal note for H.B. 335.

Enterprise zone property tax abatement

The bill allows the owner of certain enterprise zone property to apply, within 12 months of the bill's effective date, for an abatement of delinquent property taxes on that enterprise zone property without regard to the regular payment limitations imposed by current law. This provision may decrease property tax collections by an undetermined amount, depending on the value of abated taxes, interest, and penalties.

Tax increment financing (TIF) property tax exemptions

The bill allows applications for tax exemptions authorized by tax increment financing (TIF) arrangements to be filed before the tax year in which the exemption will apply and requires the Tax Commissioner to make a determination on such application within a year after receiving them unless the Commissioner requests additional information within that one-year period. The bill requires that a determination on applications for which additional information is requested within 120 days of the Commissioner's receipt of the requested information or the initial one-year deadline, whichever is later. The bill provides that any approved TIF exemption application for a parcel applies to any parcel later created by a split or combination involving the original parcel without a new exemption application being required. The bill also eliminates certain requirements regarding TIF exemption applications. The bill may increase the Department of Taxation's administrative costs associated with the bill's requirements, but any increase is likely minimal.

Expanded sales tax holiday

The bill transfers $320,000,000 cash from the FY 2026 ending GRF balance to the Expanded Sales Tax Holiday Fund (Fund 5AX1). Fund 5AX1 is used to reimburse the state GRF and

local governments for foregone sales tax revenues during a sales tax holiday. The bill requires a 15-day sales tax holiday in 2027 running from August 1 to August 15.

Debt Service Reduction Fund

The bill transfers $200,000,000 cash from the FY 2026 ending GRF balance to the newly created Debt Service Reduction Fund (Fund 5DY1) and requires the cash be transferred to capital funds to support capital appropriations in lieu of issuing debt or to pay down existing debt. The provision will reduce future state debt service expenditures.

Department of Behavioral Health

State Post-Traumatic Stress Fund

The bill appropriates $40,000,000 in the State Post-Traumatic Stress Fund (Fund 5DN1) ALI 336427, State Post-Traumatic Stress Fund, in FY 2027. Funds are required to be used for medical expense reimbursements from a peace officer, firefighter, or emergency medical worker diagnosed with a "post-traumatic stress injury" without an accompanying physical injury, as well as administrative costs incurred in providing these reimbursements. Fund 5DN1 was established in H.B. 184 of the 136th General Assembly, which was effective as of March 2026. H.B. 184 requires the OBM Director to transfer $40,000,000 cash from the GRF to the fund on July 1, 2026, but does not appropriate this cash.

The bill limits medical expense reimbursements from the fund for a post-traumatic stress injury to $50,000 per injury unless an officer requests more and the fund contains adequate funds. The bill creates the Ohio Post-Traumatic Stress Fund Commission within the Department of Behavioral Health (DBH) to administer the fund. The Commission's membership and duties are specified. Members are prohibited from being compensated but will be reimbursed for actual expenses incurred while performing their duties. DBH must provide staff services, office space, and equipment to the Commission.

Participating in Victory of Transition (PIVOT) pilot program

The bill appropriates $187,000 in FY 2027 in GRF ALI 336425, Specialized Docket Support, under the Department of Behavioral Health and earmarks these funds for the PIVOT pilot program in Hancock, Seneca, and Wood counties.

Under continuing law, the Tiffin-Fostoria Municipal Court has concurrent jurisdiction with the Seneca County Court of Common Pleas in certain criminal actions when the court finds that the offender's addiction to a drug of abuse was the primary factor leading to the offender's commission of the offense and the offender is admitted to participate in the Participating in Victory of Transition (PIVOT) drug recovery program. The bill removes current law exceptions to the concurrent jurisdiction and thereby expands it to more cases.

As a result, the bill may increase the number of felony court cases heard in the Seneca County Court of Common Pleas through the PIVOT court and decrease cases heard in the Hancock and Wood county courts of common pleas via the Tiffin-Fostoria Municipal Court which has jurisdiction in all three counties. The number of eligible cases which may be heard in the PIVOT court rather than in another jurisdiction under the bill is indeterminate.

Budget Stabilization Fund

The bill transfers up to $35,000,000 cash from the FY 2026 ending GRF balance to the Budget Stabilization Fund (Fund 7013) to bring the cash balance of Fund 7013 to at least $4.0 billion. Based on Fund 7013's current cash balance, the transfer required by the bill will be at least $14.6 million.

Department of Natural Resources

The bill appropriates $3,460,000 in FY 2027 under GRF ALI 725520, Special Projects, and earmarks this amount for dredging and related dredge material relocation activities at three state lakes: (1) $1,125,000 million for Lake Logan, (2) $1,745,000 for Lake Loramie, and (3) $590,000 for Grand Lake St. Marys.

Department of Job and Family Services

The bill appropriates $2,250,000 in GRF ALI 600659, SNAP EBT Modernization, and $750,000 in federal Fund 3840 ALI 600610, Food Assistance Programs, in FY 2027 and requires these funds to be used to support the transition to chip-enabled SNAP EBT cards. The bill requires ODJFS to ensure that all new SNAP EBT cards that are issued are chip-enabled and to replace existing EBT cards with chip-enabled cards under ODJFS' ordinary replacement timeframe. The bill also permits the ODJFS Director to certify to the OBM Director the available balance of these appropriations at the end of FY 2027 to be reappropriated to FY 2028 and reappropriates the certified amounts.

Broadcast Educational Media Commission

Ohio public television and radio stations

The bill appropriates $2,055,960 in FY 2027 to GRF ALI 935410, Content, Development, Acquisition, and Distribution, to fund the purchase of equipment by public educational television and radio stations. Additionally, the bill reappropriates the available balance of Fund 7026 capital ALI C37428, Ohio Public TV-Radio, at the end of FY 2026 to ALI 935410 for FY 2027 for the same purpose and eliminates the capital reappropriation for ALI C37428 for the FY 2027-FY 2028 biennium in H.B. 730 of the 136th General Assembly. As of early June 2026, the available balance of ALI C37428 is $11,200.

Radio reading services

The bill appropriates $44,433 in FY 2027 to GRF ALI 935431, Ohio Radio Reading Services Equipment, to fund the purchase of equipment by radio reading services, which provide daily broadcasts of printed materials such as newspapers, magazines, and books to visually impaired Ohioans. The bill also reappropriates the available balance of Fund 7026 capital ALI C37429, Ohio Radio Reading Services Equipment, at the end of FY 2026 to ALI 935431 for FY 2027 for the same purpose and eliminates the capital reappropriation for ALI C37429 for the FY 2027-FY 2028 biennium in H.B. 730. As of early June 2026, the available balance of ALI C37429 is $51,000.

State Auditor

The bill reappropriates the unexpended, unencumbered balances of the following earmarks in FY 2026 to the same purposes in FY 2027: (1) $5,000,000 under GRF ALI 070401, Audit Management and Services, for an audit of Medicaid Aged, Blind, and Disabled (ABD) group

eligibility and (2) $500,000 under GRF ALI 070402, Performance Audits, for an audit of Ohio's indigent defense services.

Department of Transportation

The bill appropriates $3,250,000 in FY 2027 under GRF ALI 775471, State Road Improvements, to support road improvement projects in conjunction with Highway Operating Fund (Fund 7002) ALI 771421, Highway Construction – State. However, the bill requires the ODOT Director to certify to the OBM Director cancelled encumbrances against the ALI equal to the amount appropriated by the bill.

Department of Development (DEV)

The bill adds an earmark of $1,300,000 under GRF ALI 195455, Appalachia Assistance, in FY 2027 for Marietta College to establish curricula and programs to train high demand professions in healthcare. To fund this earmark, the bill increases GRF ALI 195455, Appalachia Assistance, by $550,000 in FY 2027 and removes an earmark of $750,000 in FY 2027 for the Outdoor Recreation Council of Appalachia. Before the earmark for Marietta College may be distributed, the bill requires the DEV Director to certify to the OBM Director cancelled encumbrances from existing GRF appropriations in the DEV budget equal to at least $550,000.

Expedited Local Partnership Program

The bill modifies the Expedited Local Partnership Program (ELPP), under which the Ohio Facilities Construction Commission (OFCC) allows a school district not yet eligible for OFCC's main facilities assistance, program, the Classroom Facilities Assistance Program (CFAP), to complete discrete facility projects using local resources in exchange for future credit on the district's share of the basic project cost when it becomes eligible for CFAP funding. Those changes to ELPP that have a fiscal impact are discussed below. For all changes made to ELPP, please see the bill analysis.

The bill authorizes certain ELPP school districts to elect to use a recalculated, more recent percentile ranking to determine their portion of the basic project cost when they become eligible for CFAP. To qualify for a recalculated local share under the bill, a district must have (1) entered into its ELPP agreement at least ten years prior to the beginning of the most recent fiscal year, (2) experienced reductions of at least 15% to its initial local share due to percentile ranking changes in at least three of the past five fiscal years, and (3) not previously been awarded CFAP funding. Additionally, the state funds received under the recalculation must be more than the local share paid by the district for its discrete portion of the project under ELPP. A district choosing this option must also relinquish its eligibility for reimbursement for any ELPP expenditure that exceeds its recalculated local share. For districts meeting these criteria, the recalculated share may reduce the local obligation when entering CFAP and correspondingly increase the state's share of the project's costs. It is unclear how many school districts would be eligible under these criteria, but it is likely to be few.

Under current law, OFCC calculates a district's local share of basic project costs under ELPP using the greater of either (1) the district's required percentage of the basic project cost as determined by its wealth percentile ranking or (2) the district's required level of indebtedness, which can range from 5.00% to 6.98% of its total taxable valuation, depending on the district's percentile ranking, and includes its local share plus its current debt that qualifies for the

calculation. The bill eliminates the latter method, thereby requiring OFCC to determine every ELPP district's share exclusively by the percentage corresponding to its percentile ranking. H.B. 96 of the 136th General Assembly made similar changes for calculations of a district's local share under CFAP. Presumably, this change aligns the calculation of a district's local share under ELPP with the CFAP local share calculation changes made in H.B. 96.

Administration of imaging contrast

The bill allows radiographers, radiation therapy technologists, and nuclear medicine technologists to administer imaging contrast under either the direct or general supervision of a physician. Under the bill, registered nurses may administer imaging contrast as well if they (1) received training and meet competency guidelines for administering contrast set by the institution at which the registered nurse practices and (2) administer the contrast under direct or general supervision. Direct supervision does not require the supervising physician to observe the administration, but the physician is required to be present at the location of the procedure. Under general supervision, the physician is not required to be observing or present at the location of the procedure, but the physician must be readily available to consult with the practitioners. The bill also permits radiologist assistants to administer contrast under a supervising radiologist's remote supervision. Current law allows radiologist assistants to do so only under onsite supervision. Under general or remote supervision, a health care provider who meets certain qualifications must be present at the location to provide assistance in case of a reaction to the contrast material or any other adverse event concerning the administration of the contrast.

Fiscal analysis

The Ohio Department of Health licenses radiation technician professionals, the State Medical Board of Ohio licenses radiation assistants, and the Ohio Board of Nursing licenses registered nurses. As a result, these entities may experience minimal costs to promulgate or update rules and to respond to any additional questions or complaints regarding these provisions.

Government-owned hospitals that provide imaging services may also realize minimal costs to update their policies to comply with the bill.

Local government provisions

RTA contracts

The bill prohibits regional transit authority (RTA) contracts for the procurement of goods and services entered into after the effective date of the bill from including nine specific provisions, including indemnity clauses, requirements for contract disputes to be resolved through binding arbitration, and limits on contractor liability, among others. The bill further specifies that if an RTA contract contains any of those prohibited provisions, those portions are void, while the remainder of the contract remains enforceable. The impact this prohibition might have on the bids an RTA receives for procurement contracts is unclear.

Township admission fees

The bill eliminates a township's ability to impose an event admission fee of up to one dollar to certain event venues in the township that are situated on land exempt from property taxation, resulting in some loss of revenue from these fees. The potential losses will depend on

the total amount of the admission fee, the number of paid admissions, and the number of events held annually at the qualifying venue.

Public records related to economic development

Political subdivisions, port authorities, and tax incentive review councils could incur additional administrative costs to fulfill public records requests since the bill subjects more details submitted by an applicant for financial assistance to public disclosure. Current law exempts any information submitted by an applicant from disclosure under the Public Records Law, whereas the bill excludes only information about individualized compensation and payroll related to an economic development project.

Sale of the State of Ohio Computer Center

The bill authorizes the sale of the State of Ohio Computer Center (SOCC) building, including all improvements and chattels within it, but not the underlying land, which remains under the jurisdiction of The Ohio State University. Under the bill, the DAS Director may sell the building either through a negotiated real estate purchase agreement or a public sealed-bid auction. The bill requires proceeds to be credited to a fund used to retire SOCC-related bond debt or another fund designated by the OBM Director, with any excess deposited into the GRF. Under the bill, the purchaser pays all costs of conveyance, including surveys, title work, insurance, transfer and recording fees, taxes, and all other associated charges.

Department of Children and Youth

The bill makes changes to DCY's Diagnostic Ultrasound Machine Program by removing the requirement that DCY competitively bid for the purchase of new three-dimensional diagnostic ultrasound machines to distribute to grant recipients. The bill instead requires funding to be provided to grant recipients so the recipients can purchase machines. H.B. 96 earmarks $2.5 million in each fiscal year from GRF ALI 830420, Community Projects and Assistance, for this program.

Capital appropriation name changes

The bill amends S.B. 450 of the 136th General Assembly to modify the names of certain new capital appropriations for the FY 2027-FY 2028 biennium. Specifically, the bill renames:

- Fund 7035 ALI CP0169, Mount Vernon West End Park Improvements GA136, with a capital appropriation of $350,000 under the budget of the Department of Natural Resources, as Mount Vernon Parks Projects GA136; and
- Fund 7035 ALI CP0470, Morningside Community Park Development GA136, with a capital appropriation of $125,000 under the budget of the Department of Natural Resources, as Mahoningside Community Park Development GA136.

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