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Office

H.B. 475
(1_135_0046-6)
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 475's Bill Analysis](#)

Version: In House Government Oversight

Primary Sponsor: Rep. Williams

Local Impact Statement Procedure Required: No

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Highlights

- The bill prohibits state funds from being given directly or indirectly to any entity that provides elective abortions or elective abortion services. It also requires counties and municipal corporations to report elective abortion-related spending to the state.
- The bill requires the Tax Commissioner to reduce Local Government Fund (LGF) distributions to municipal corporations and counties with elective abortion-related spending. The withheld LGF funds are redirected to a newly created fund, the Abortion Adjustment Fund, to be distributed to organizations providing counseling and other services to women who have had abortions.
- The Ohio Department of Health (ODH) must adopt rules governing the application for, and distribution of withheld funds described above. ODH may incur an increase in costs to administer the bill's provisions.

Detailed Analysis

The bill prohibits state funds from being disbursed, directly or indirectly, to any entity that provides elective abortions or elective abortion services.

The bill requires counties and municipal corporations to report elective abortion-related spending to the state. By the fifth day of each month, a county or municipal corporation that spent money to support access to elective abortion, to provide reimbursement for elective abortion services, or for any related activity including travel and donations to entities that support, promote, or provide elective abortion, must provide a report to the Auditor of State and the Tax Commissioner inclusive of financial information enumerated in the bill.

The bill reduces distributions from the state's local government fund (LGF) to any county or municipal corporation that is required to file a report with the state because it spent money

on elective abortion access, services, or related activity. The bill specifies information that must be included in the report. The bill also provides for the complete withholding of LGF distributions from a county or municipal corporation that is required to file a report but fails to do so or reports inaccurate information. Amounts withheld under the bill's abortion adjustment are transferred from the LGF to the Abortion Adjustment Fund, which the bill creates. The bill also specifies procedures for calculating the amount of abortion adjustment to a county and municipal corporation. Continuing law in R.C. 9.04 and 5101.56 prohibits state funds from being used for certain abortion-related purposes.

The estimated amount of LGF funding that would be withheld from counties and municipal corporations associated with this bill is undetermined. Any decrease in LGF funding would have the effect of increasing revenue in the Abortion Adjustment Fund by the same amount. In calendar year (CY) 2023, the state distributed a total of \$496.8 million from the LGF to counties, townships, and municipal corporations. LGF allocations to a county or municipal corporation range between several thousand dollars per year for a number of small villages to over \$10 million per year for each of Cincinnati, Cleveland, Columbus, and Cuyahoga, Franklin, and Hamilton counties. The bill may also increase the Department of Taxation's administrative expenses related to LGF distributions. If there were any increase in such costs, it would likely be minimal.

The bill requires the Ohio Department of Health (ODH) to use the Abortion Adjustment Fund to provide funding for nonprofit entities that provide services under the Ohio Parenting and Pregnancy Program, which provides various services for pregnant women and parents or other relatives caring for babies. The bill requires ODH to adopt rules establishing procedures for such entities to apply for, and for the Department to distribute, that funding. The rules must specify a distribution priority for such entities providing counseling and other services to women who have received abortions. ODH may experience an increase in costs to administer the fund and to adopt rules. Costs to administer the fund will depend on the number of funding applicants.

Synopsis of Fiscal Effect Changes

The As Introduced version of the bill prohibited state funds from being given directly or indirectly to any entity that supported, promoted, or provided abortions. In the As Introduced version, public hospitals that permitted abortions might have realized a loss of state funds. The substitute bill, I_135_0046-6, prohibits state funds from being given directly or indirectly to any entity that provides "elective abortions or elective abortion services." The bill defines an elective abortion as an abortion that is not necessary to protect the life of the mother. Only a small percentage of abortions are performed in hospitals and those are typically emergency or health related. Thus, any potential fiscal impact of the As Introduced version should not be realized for public hospitals under the substitute bill.

The substitute bill also limits the requirement that counties and municipal corporations report abortion-related spending to the state to spending regarding elective abortions.