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# OHIO LEGISLATIVE SERVICE COMMISSION

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**H.B. 315**  
**135<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 315's Bill Analysis](#)

**Version:** As Recommended by Conference Committee

**Primary Sponsors:** Reps. Hall and Seitz

**Local Impact Statement Procedure Required:** No

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### **Summary**

The fiscal note for the Conference Report on H.B. 315 is arranged by general topic headings, starting with appropriations, and then covering provisions that affect state agencies and political subdivisions. After that, provisions dealing with public records, residential facilities for foster children, health benefits, tax changes, and name, image, or likeness (NIL) law changes are discussed, along with provisions dealing with post-release employment assistance and waste energy recovery systems. The final section covers provisions with little or no fiscal effect.

### **Table of Contents**

<b>Appropriations</b> .....	<b>4</b>
Township zoning grants.....	4
Indigent burial subsidy for local governments.....	4
<b>State agencies</b> .....	<b>4</b>
Department of Health .....	4
Medical free speech .....	4
Secretary of State .....	4
LLC changes .....	4
Notary Public Law .....	5
Auditor of State .....	5
Fiscal distress technical assistance.....	5
Department of Development .....	5
Historic rehabilitation tax credits.....	5

Public Utilities Commission of Ohio .....	5
Public ways .....	5
Department of Children and Youth (DCY) .....	6
Dolly Parton’s Imagination Library of Ohio Advisory Board .....	6
Department of Commerce .....	6
Electronic license applications .....	6
Specialty license plates .....	7
<b>Provisions affecting local governments .....</b>	<b>8</b>
H2Ohio and CAUV: land subject to state conservation easements .....	8
Expedited tax foreclosure procedure .....	9
County engineer salaries .....	9
Special assessments .....	9
Mayors and public contracts .....	9
Township preservation commissions .....	10
Township zoning violations .....	10
Township newspaper notices .....	10
Township roads .....	10
Township event admissions fee .....	11
Township tax increment financing districts .....	11
Ransomware .....	11
Conservancy districts .....	11
Automated external defibrillator requirements .....	12
Clerks of the courts of common pleas and municipal courts .....	12
County creation of additional port authority .....	12
<b>Public records .....</b>	<b>12</b>
Judges and prosecuting attorneys .....	12
Designated public service workers .....	13
Video public records .....	13
<b>Residential facilities for foster children .....</b>	<b>13</b>
Notifications .....	13
PCSA, PCPA, and DCY review, documentation, and other duties .....	14
Residential facility certification .....	14
Educational stability of foster children .....	14
Peace officer training .....	15
<b>Health benefits .....</b>	<b>15</b>
Cost-sharing requirements for occupational therapy and physical therapy services .....	15
Fiscal effect .....	16
Hearing aid coverage .....	16

Fiscal effect.....	17
<b>Tax changes.....</b>	<b>17</b>
Foreclosure sales.....	17
Expedited tax foreclosures.....	18
Ohio Opportunity Zone tax credits.....	18
Fiscal effect.....	18
Background on Opportunity Zones.....	19
Sales and use taxation of delivery network services.....	19
Food & delivery services spending.....	20
Commercial activity tax.....	20
Sales tax exemption for sports facilities.....	20
<b>Name, image, or likeness (NIL) changes.....</b>	<b>20</b>
Background of NIL in Ohio.....	20
Bill provisions.....	21
Fiscal effect.....	21
<b>Post-release employment assistance.....</b>	<b>22</b>
Fiscal effect.....	22
<b>Waste energy recovery systems.....</b>	<b>23</b>
Renewable energy credits.....	23
<b>Other provisions with little or no fiscal effect.....</b>	<b>24</b>

## Detailed Analysis

### Appropriations

#### Township zoning grants

The bill appropriates \$1.5 million in FY 2025 under GRF appropriation line item (ALI) 195420, Housing Technical Assistance, to the Department of Development to be used to offer grants to political subdivisions seeking to modernize regulations and processes tied to zoning efforts.

#### Indigent burial subsidy for local governments

The bill appropriates \$1.0 million in FY 2025 under GRF appropriation line item (ALI) 881500, Indigent Burial and Cremation Support. This funding is to be used by the State Board of Embalmers and Funeral Directors (FUN) to reinstate the Indigent Burial and Cremation Support Program. The program helps local government entities offset the costs they incur for cremating or burying the remains of indigent people. Reimbursements may not exceed \$750 for a child or \$1,000 for an adult. Since inheriting the program from the Ohio Department of Job and Family Services in 2019, FUN has satisfied approximately 1,500 applications for financial help under the program. Funding for the indigent burial subsidy was not included in H.B. 33, the main operating budget act of the FY 2024-FY 2025 biennium.

### State agencies

#### Department of Health

##### Medical free speech

The bill prohibits a licensing board, the Ohio Department of Health (ODH), the State Board of Pharmacy, or other state board or agency responsible for regulating health care professionals from infringing on medical free speech. It also prohibits such an entity from pursuing, or threatening to pursue, an administrative or disciplinary action against a prescriber, pharmacist, or other licensed health care professional, hospital, or inpatient facility for publicly or privately expressing a medical opinion that does not align with the opinions of the entity. ODH and occupational licensing boards could realize some savings related to disciplinary actions if fewer cases are investigated as a result of the bill's provisions.

The bill also prohibits a hospital or inpatient facility patient from being denied sufficient means of fluids or nutrition, unless (1) that wish is clearly stated by the patient or patient's personal representative or documented in the patient's advance directive, or (2) denial is necessary for a medical procedure. Lastly, the bill states that the World Health Organization lacks jurisdiction in Ohio. It also prohibits a political subdivision, public official, or state agency from enforcing or using any state funding to implement or incentivize any health policy guideline, mandate, recommendation, or rule issued by the World Health Organization, in particular, one that prohibits prescribing or dispensing a drug, including an off-label drug.

#### Secretary of State

##### LLC changes

The bill allows the Secretary of State (SOS) to charge a \$50 filing fee for a limited liability company (LLC) statement of authority, an amendment or cancellation of a statement of

authority, or denial of a statement of authority. This could result in some revenue gain, depending on the number of such filings. The bill also eliminates the \$50 fee charged by the SOS for a certificate of correction filed with respect to the registration or assumed name of an LLC. This would result in a loss of fee revenue to the SOS, based on the number of such filings made. Overall, any amount of revenue loss appears to be minimal. This fee revenue is deposited in the Business Services Fund (Fund 5990). The fund collected \$25.7 million in FY 2023 and \$25.1 million in FY 2024. The bill also makes some revisions pertaining to merger certificates for LLCs. However, these provisions appear to have no fiscal impact.

### **Notary Public Law**

The bill makes several modifications to various provisions of the Notary Public Law. Overall, these changes appear to have little direct fiscal impact on the SOS, which is responsible for the registration of notaries. The bill specifies that a notary whose commission is revoked by the SOS for official misconduct or incapacity is ineligible for reappointment. Additionally, the bill makes various changes to the administrative procedures pertaining to violations of the notary law. Specifically, the bill eliminates the requirement that the SOS hold an administrative hearing before disciplining a notary. These changes are unlikely to have anything more than a negligible impact on the number of notaries registered with the SOS, and do not appear to result in any additional administrative costs to the SOS.

### **Auditor of State**

#### **Fiscal distress technical assistance**

The bill expands the use of GRF ALI 070403, Fiscal Distress Technical Assistance, in the current biennium to support costs incurred by the Auditor of State (AOS) for colleges or universities in or at risk of entering in a state of fiscal caution, watch, or emergency. In the current biennium, this line item has been used to support technical assistance provided by the AOS to local governments and schools in or at risk of entering fiscal caution, watch, or emergency. The AOS spent just under \$262,000 in FY 2024 to assist municipal corporations, counties, townships, and school districts in these circumstances.

### **Department of Development**

#### **Historic rehabilitation tax credits**

The bill prohibits the Department of Development from considering whether a historic rehabilitation project is located in or will benefit an economically distressed area in awarding historic rehabilitation tax credits, such as by weighting preference based on the poverty rate in the jurisdiction or census tract. Under its current scoring criteria, the Department gives preference to projects located in such an area. While this change might ultimately change some of the projects that are awarded tax credits, the change under the bill has no immediate and direct fiscal effect on the state or political subdivisions.

### **Public Utilities Commission of Ohio**

#### **Public ways**

This provision requires the Public Utilities Commission of Ohio (PUCO) to authorize cost recovery, either as a regulatory asset or as a separate charge and collection, of costs directly incurred by a public utility as a result of a governmental entity's regulation of the utility's

occupancy or use of a right of way; however, the cost must be incurred by the public utility on or after the effective date of the bill.

Any cost recovery authorized as a regulatory asset under this provision is not subject to any agreement establishing price caps, rate freezes, or rate increase moratoria, or any other provision of law.

Negligible cost, from the charges incurred through the use of public utility products, to state and local governments is expected from the enactment of the provision.

## **Department of Children and Youth (DCY)**

### **Dolly Parton’s Imagination Library of Ohio Advisory Board**

The bill establishes the Dolly Parton’s Imagination Library of Ohio Advisory Board, which consists of 12 members. Of these are: nine voting members appointed by the Governor, one voting member appointed by the Senate President, one voting member appointed by the Speaker of the House of Representatives, and the Director of Children and Youth, or designee as a nonvoting member. The bill specifies that members are not to be compensated to the extent that serving on the board is considered a part of the member’s regular duties of employment. The bill does not specify whether the members receive reimbursement for travel or other necessary reimbursements. DCY could realize an increase in administrative costs if staff provide support to the board.

## **Department of Commerce**

The bill establishes the Homebuyer Protection Act, which requires the Superintendent of Real Estate and Professional Licensing to adopt rules within one year, to require a real estate broker or salesperson working directly with a prospective homebuyer to withhold the prospective purchaser’s name and address on any document provided to the seller or seller’s agent until the purchaser and seller enter into a contract. The bill further requires the Superintendent’s rules to require a real estate broker or salesperson marketing a home to provide the seller a form, created by the Superintendent, that discloses all anti-discrimination laws related to the home buying process. The Division of Real Estate and Professional Licensing might incur some new administrative costs to comply with these new requirements.

The bill applies a fine of up to \$200 to the licensed broker and salesperson for each violation of the bill, the same fine that currently applies to various other violations of real estate law. Any fine revenue generated under the bill is deposited into the Real Estate Recovery Fund (Fund 5480). It is unclear how many citations would be issued or fine revenue collected as a result of the bill. As of November 20, 2024, the state’s e-Licensing system shows that there are approximately 40,000 active licensed real estate brokers and salespersons in Ohio.

### **Electronic license applications**

The bill requires state occupational licensing agencies to accept electronic license applications. Although not specified in the bill, this fiscal note assumes that in order to comply with the requirement, state agencies would use eLicense Ohio, the state’s existing electronic licensing platform administered by the Department of Administrative Services (DAS). Under the bill, DAS would likely incur increased costs totaling between \$2.0 million and \$3.0 million per year based on the approximate 523,000 licenses that would be added to the system. Costs of eLicense Ohio are paid from the Occupational Licensing and Regulatory Fund (Fund 4K90).

Most state occupational licensing agencies already use eLicensing. Those that do will likely see little, if any, fiscal effect. However, licensing entities that do not already use eLicensing, including those under the departments of Aging (AGE), Commerce (COM), Health (ODOH), and Public Safety (ODPS), and the Ohio Athletic Commission (ATH), could bear significant new costs if they elect not to use eLicense Ohio and instead develop or purchase and maintain a different type of electronic licensing system.

### Specialty license plates

The bill creates two specialty license plates, which are available to all Ohio motorists, and requires a person to pay an additional fee of \$35 when the plate is issued and renewed. A portion of that fee (\$10) is retained by the Bureau of Motor Vehicles (BMV), with the remainder distributed to a designated recipient for a specific purpose. The table below lists both license plates, the additional amount paid in order to obtain the license plate, and the required use of those contributions.

Table 1. Specialty License Plates			
Contribution Recipient	Required Use	BMV Fee	Required Contribution
<b><i>Dolly Parton's Imagination Library</i></b>			
Dolly Parton's Imagination Library of Ohio	Paying for operational costs of the library, including the distribution of books	\$10	\$25
<b><i>St. Vincent-St. Mary High School</i></b>			
St. Vincent-St. Mary High School (Akron)	None specified	\$10	\$25

Specialty license plates are produced by the BMV via a digital print-on-demand process at a cost of \$6.25 for a single license plate, \$7.60 for a pair.<sup>1</sup> These costs will be offset by the collection of the \$10 BMV administrative fee which is paid at the initial issuance of the license plate and for each subsequent renewal and credited to the Public Safety – Highway Purposes Fund (Fund 5TMO), which is used in part to pay the BMV's expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

Both of the bill's specialty license plates are subject to existing law's implementation procedure, meaning that the Registrar of Motor Vehicles does not have to issue the license plate until written statements from at least 150 people indicating their intent to apply for and obtain the license plate have been received.<sup>2</sup>

<sup>1</sup> Under current law, a person registering a motor vehicle may elect to purchase a single license plate or a set of two plates.

<sup>2</sup> R.C. 4503.78.

Assuming the minimum number of applicants meets the threshold of 150 for the first year that each of the bill's specialty license plates is available, the BMV will incur production costs of at least \$937.50 (150 persons x \$6.25) for each type of specialty license plate, which will be offset by the collection of at least \$1,500 (150 persons x \$10) in BMV fees. The amount generated for the designated recipients of each specialty license plate will total at least \$3,750 (150 persons x \$25). In subsequent years, those amounts will vary and depend on the number of such plates that are issued or renewed.

## **Provisions affecting local governments**

### **H2Ohio and CAUV: land subject to state conservation easements**

The bill allows farmland to continue to be valued at its current agricultural use value (CAUV) for property tax purposes if (a) the land becomes subject to a conservation project funded by the H2Ohio Program or (b) the land is or was, within the last two years, subject to such a project and is now subject to a conservation easement held by the state or another party in connection with the H2Ohio Program.

Under current law, land used for conservation qualifies for the CAUV Program only if (a) the land is enrolled in a federal conservation program or (b) the conservation land constitutes 25% or less of the farm's total area. The CAUV designation normally results in a substantially lower tax bill for a property owner.

This bill provision applies to tax year 2023 and thereafter. Property owners whose land did not qualify for CAUV for tax year 2023 or 2024, but would have under this provision, can apply to the county auditor for a refund of any taxes overpaid or CAUV recoupment charges levied with respect to that land.

The fiscal effect of this bill provision appears to be quite limited. Existing state conservation easements are most commonly related to agriculture. Another less prevalent type applies to areas surrounding scenic rivers.

The Department of Agriculture indicated in August 2024 that 106,316 acres were in Ohio's agricultural easement program, of which 49,416 acres were federally funded project acreage and 56,900 acres were nonfederally funded project acreage. Farms enrolled in the agricultural easement program were required to qualify for CAUV tax treatment under current law, thus would not become newly qualified under this bill provision.

For scenic river conservation easements, the areas affected are limited. Generally, the easements would cover riverbanks with riparian forest land that are likely already in the CAUV Program and would likely remain so. The application of this type of easement is limited to scenic rivers, and with only about 2,500 acres statewide in such easements, any effects would be limited.

In most cases, H2Ohio wetland restoration projects with any sizable acreage are likely on land unsuitable for agricultural use and thus ineligible for CAUV assessment. In the case that the land is suitable for agricultural use, the project would have to take up more than 25% of the land area in order for CAUV assessment to be disallowed. There are environmental covenants that are applicable to the H2Ohio grant program that limit the permissible uses of the affected property. The effect is unclear as most of the land was probably not CAUV in the first place and likely of low value unless of value for commercial development.



## **Expedited tax foreclosure procedure**

The bill imposes new requirements for direct transfers of foreclosed properties to land banks for political subdivisions under the expedited tax foreclosure procedure in continuing law and may result in slight increases in administrative costs for political subdivisions or land banks. Specifically, the bill requires that, when a political subdivision or land bank acquires property in a direct transfer, the subdivision or land bank must (1) sell the property either at a public auction or through the public solicitation of bids, (2) for three years, keep a record of the property's previous tax delinquency, foreclosure costs, and the costs incurred by the subdivision or land bank while holding the property, and (3) if the sale price exceeds those total costs, forward the excess proceeds to the county treasurer where the property is located, who will notify the owner. The proceeds are treated the same as excess proceeds from a foreclosure sale: the county will hold the proceeds for three years. If the proceeds remain unclaimed after three years, the funds revert to either the land bank or, if no land bank exists, the county in which the property is located.

## **County engineer salaries**

The bill eliminates the compensation schedule applicable to county engineers with a private practice. Instead, the bill subjects all county engineers to the compensation schedule currently applicable to county engineers without a private practice. Continuing law establishes annual salary increases for county engineers totaling 1.75% each year through 2028. As a result, counties whose county engineer has a private practice would incur additional payroll costs of up to roughly \$29,000 in 2024 and increasing to slightly more than \$33,000 per year by 2028.

The bill also permits a board of county commissioners, when the office of county engineer is vacant, to contract with another county's county engineer to perform the duties of county engineer in that county. Under this circumstance, the county engineer would receive supplemental compensation from the contracting county based on the statutory compensation schedule and prorated for the duration of the contract. Although this would increase the total compensation received by the contracted county engineer, there is no fiscal effect for the contracting county, as it would otherwise be paying its own county engineer the same amount during the contracted period. Additionally, the bill prohibits a county engineer from engaging in the private practice of engineering or surveying in a county in which the person is the county engineer or acting county engineer. This change also appears to have no fiscal effect.

Finally, uncodified law in the bill specifies that the salary changes in the bill apply to county engineers whose term of office begins on or after the bill's effective date.

## **Special assessments**

The bill allows a municipal corporation, by ordinance, to provide 501(c)(3) nonprofit entities with a special assessment exemption for the purpose of managing shade trees in public rights of way and along the streets in a municipal corporation. If a municipality were to use this authority, it could experience some minimal revenue loss.

## **Mayors and public contracts**

The bill exempts village mayors from the prohibition on having an unlawful interest in a public contract if: (1) the mayor has no role in approving or voting for the contract, or engaging members of the village legislative authority to do so, (2) the treatment accorded the village is

either preferential to or the same as that accorded to others, and (3) the entire transaction is conducted with full knowledge of the village legislative authority. It is unclear as to what impact this prohibition would have on contracts awarded by such villages.

### **Township preservation commissions**

The bill allows townships to create township preservation commissions. This provision enables townships to fulfill certain requirements to become Certified Local Governments (CLGs) and pursue funding through the Ohio History Connection (OHC). As CLGs, townships are eligible for federal grants administered by OHC to help carry out historic preservation activities. CLG grant awards range from \$5,000 to \$25,000 and generally require a 40% match.

Funding for grants to CLGs come from the U.S. Department of the Interior's Historic Preservation Fund (CFDA 15.904), administered by the National Park Service, which provides financial support to state historic preservation offices such as OHC. Under provisions of the National Historic Preservation Act, 10% of the annual appropriation to Ohio is set aside for CLG grants. Ohio's CLG grants are awarded on a 60%/40% matching basis except for projects that qualify as "funding priorities" which can be funded up to 100% of the project cost. The grant recipient match can be made through any combination of cash, in-kind, and donated services and materials. With the exception of Community Development Block Grant (CDBG) funds, federal funds cannot be used to meet the matching share requirements of CLG grants.

### **Township zoning violations**

The bill classifies zoning violations as civil violations, which potentially decreases their enforcement costs. Instead of hiring a zoning inspection employee to enforce the zoning code, townships could use police officers for zoning enforcement. Courts may incur costs to hold a hearing if the civil fine is disputed. These costs may be offset by court fees. It is unclear how many townships would classify zoning violations as civil violations, how many fines would be issued, and how many fines would be disputed in court.

### **Township newspaper notices**

Under the bill, townships may see decreased costs for providing public notices in certain circumstances. The bill allows townships to forego newspaper advertising, in either digital or print ads, and either publish via the state public notice website or the township's website and social media account. However, the bill does not permit these alternative publication methods in all cases. Specifically, if an existing newspaper publication requirement applies to a variety of entities and not only townships (e.g., townships, counties, and municipal corporations), then the newspaper publication requirement applies. If a township website and social media account are used, the township will need to document and maintain proof of publication.

### **Township roads**

The bill codifies an existing practice for townships to use general fund money to cover road and culvert maintenance, repair, and construction in addition to the township road fund as required under current law. This change provides a clarification of current law and does not have any new fiscal effect on townships.

## **Township event admissions fee**

The bill authorizes townships to impose a fee of up to \$1 per admission to certain tax exempt event venues with a capacity of at least 2,000. The fee would be referred to as the “Protect and Serve Charge.” The revenue collected from this charge would go to police, fire, and emergency medical services. The fee would not apply to admissions to county fairgrounds, events sponsored by the state or a local government, or events with a ticket price of \$10 or less.

## **Township tax increment financing districts**

The bill authorizes townships to extend the life of a tax increment financing district (TIF). Under the bill, the extension must be for a period not to exceed 15 years and must not increase the percentage of the value of improvements exempted from taxation. The board of township trustees must provide notice of the amendment to each board of education of school districts in which exempted parcels are located or the incentive district is located. This provision is permissive for townships that extend the life of a TIF, but may result in loss of revenue, in an indeterminate amount, for other taxing authorities.

## **Ransomware**

The bill prohibits political subdivisions from paying a ransom or otherwise complying with ransom demands during a ransomware incident without the explicit approval of the Department of Public Safety (DPS). The bill additionally requires political subdivisions to notify the Auditor of State and the Executive Director of the Division of Homeland Security within DPS of a cybersecurity incident or ransomware incident. The bill does not specify how notifications are to be made by political subdivisions. The magnitude of any costs incurred to receive notifications and approve payments will depend on the procedures that are implemented by DPS and the number of ransomware incidents that occur annually. The fiscal impact of this change in procedure is unclear. However, DPS and a political subdivision would presumably agree to cases where paying a ransomware demand was considered fiscally prudent.

A related change under the bill requires political subdivisions to adopt a cybersecurity program. Presumably, many political subdivisions already have such cybersecurity programs and protocols in place when these incidents occur. But for any political subdivisions that do not, they could incur some costs for adopting these state-mandated cybersecurity policies. Finally, the bill specifies that records and documents related to the cybersecurity program and framework, and reports of incidents, are not subject to release as a public record.

## **Conservancy districts**

The bill increases the competitive bidding threshold for conservancy districts from \$50,000 to \$75,000 and provides for a 3% increase to this amount in each year beginning with calendar year 2025. This provision aligns the competitive bidding threshold for conservancy districts with that for other political subdivisions. The increase in the bidding threshold may result in fewer projects being bid, thereby reducing the administrative costs associated with the bidding process. However, the impact to overall conservancy district contract costs is uncertain.

The bill allows the board of directors of a conservancy district that includes all or parts of more than 16 counties to establish a charitable trust, a social welfare trust, or both and use surplus money in its maintenance fund to provide financial support to a conservancy district charitable trust or social welfare trust. By definition, this applies to the Muskingum Watershed

Conservancy District. In particular, the bill establishes certain requirements for these trusts and exempts these trusts from being considered a “subdivision” under the existing uniform depository act, “public office” under the public records law, or “charitable trust” under existing charitable trusts law. It also exempts money in a conservancy district charitable trust and social welfare trust and money received for such trusts from the meaning of “public moneys” under the uniform depository act.

### **Automated external defibrillator requirements**

Under the bill, local political subdivisions that receive automated external defibrillator (AED) exemptions may experience some cost savings. An AED costs about \$1,500 more or less while ongoing maintenance costs may add up to a few hundred dollars per year. The bill specifies that AEDs must be placed in each sports and recreation location at any time that the location is hosting an organized youth sport activity. Current law requires placement at any location not exempted at all times. Additionally, it specifies that the AED requirements for sport and recreation locations do not apply to a township if the population of the unincorporated area of the township is less than 5,000.

### **Clerks of the courts of common pleas and municipal courts**

The bill modifies the law regarding the storage, maintenance, and retrieval of all papers delivered to the clerk of courts. More specifically, the bill requires elected clerks of the common pleas court or municipal court to determine the best means and methods for storing, maintaining, and retrieving all papers delivered to the clerk in compliance with Rule 26 of the Rules of Superintendence for the Courts of Ohio, whether delivered in writing or in electronic form, and implementing the means and methods for storage, maintenance, and retrieval. The bill also clarifies that a clerk of a common pleas court appointed in a charter county performs duties pursuant to the county charter and removes current law provisions granting municipal court clerks other powers and duties as prescribed by the court. The fiscal effect on any clerk’s office will depend on the current operations of affected clerks and whether changes would be needed.

### **County creation of additional port authority**

Under current law a political subdivision is prohibited from being included in more than one port authority. The bill creates an exemption for some counties to create a new port authority that encompasses only the territorial jurisdiction of that county under specific conditions. First, the county creating the new port authority must be included in an existing port authority that covers more than one county. The county creating the new port authority must also have a population of 100,000 or less. Cost and revenue implications for an eligible county that creates a new port authority are uncertain and will depend on the structure and operation of the port authority once created.

## **Public records**

### **Judges and prosecuting attorneys**

Under the bill, a judge and a prosecuting attorney may submit an affidavit to have their name removed from the general tax list and duplicate of real and public utility property, and replaced with the person’s initials. This could result in some small amount of additional

administrative costs for public offices that receive requests to redact certain identifying information from public records.

### **Designated public service workers**

The bill specifies that a “public record concerning a criminal investigation or prosecution or concerning what would be a criminal investigation or prosecution if the subject of the investigation were an adult” includes personnel files and payroll and attendance records of designated public service workers. This could result in some small amount of additional administrative costs for public offices that receive requests to disclose public records added under the bill.

### **Video public records**

The Ohio Public Records Law generally requires every public office, including law enforcement agencies, when requested, to promptly prepare public records, make them available for inspection, and provide copies at cost. The bill would allow law enforcement agencies to require requesters of video public records to pay the estimated actual cost upfront before processing the request. Actual costs include the agency’s expenses for reviewing, blurring or otherwise obscuring, redacting, uploading, or producing the video. Once the estimated actual cost is paid in full, the agency’s obligation to produce or make available the video for inspection begins.

The agency must provide a cost estimate within five business days of receiving the request. If the actual cost exceeds the estimate by up to 20%, the agency can charge the difference, but only with prior notification and up to the limits provided in the bill. The bill limits the maximum chargeable cost to \$75 per hour of video produced, with a total cap of \$750. These provisions may clarify what items of expense can be calculated into the “cost” of providing these types of records, thus resulting in revenues that would offset the current costs of preparing and providing video public records. To the extent that some agencies are already charging fees in excess of those provided by the bill, those agencies may see a reduction in revenue.

### **Residential facilities for foster children**

The bill makes changes to various provisions of law relating to a child who is under the care and supervision of a residential facility. The bill specifies that provisions generally apply to residential facilities (which includes group homes under current law) that are operated by a public children services agency (PCSA), private child placing agency (PCPA), private noncustodial agency, or superintendent of a county or district children’s home for the placement of foster children.

### **Notifications**

The bill establishes notification requirements in situations when a child under the care and supervision of a residential facility (1) presents to an emergency department (ED) or is admitted to a hospital in certain situations, and (2) a law enforcement officer has an investigative interaction with such a child. Additionally, prior to a child’s placement in a residential facility or no later than 96 hours after a child’s placement in a residential facility as a result of an emergency placement or a change in the child’s case plan, a PCSA or PCPA must inform the facility operator of any charges for which the child was adjudicated a delinquent child. DCY is required to adopt related rules. Government-owned hospitals or state or local law enforcement offices may incur minimal costs related to these notification requirements. PCSAs could realize costs to respond to

an ED or hospital's communication regarding the discharge of a child. Total costs will depend on whether or not any subsequent actions are taken.

### **PCSA, PCPA, and DCY review, documentation, and other duties**

The bill requires a PCSA or PCPA with custody of a child who is under the care and supervision of a residential facility to conduct a monthly in-person visit to the facility to determine the child's well-being, and to report concerns about the child to DCY. Additionally, the bill requires a PCSA or PCPA to conduct a mandatory review of a child's placement, which must include a determination of whether the residential facility is an appropriate setting and is providing a satisfactory level of care for the child, if certain incidents occur. PCSAs currently do these activities but may realize costs if rules adopted differ from current practice. The operator of a residential facility is required to notify a PCSA or PCPA about any service that a community organization provides or seeks to provide to a child under their care. PCSAs might realize minimal costs to document these services.

Under the bill, DCY is required to annually survey the staff of all residential facilities working with children under the care and supervision of residential facilities regarding the status of these children. The bill also requires DCY to review the staff survey and any reports it receives and determine whether training requirements are responsive to the needs of residential facilities and adopt or modify rules if the DCY Director determines it necessary. DCY will realize costs to conduct annual surveys and to review any reports it receives.

The bill establishes the Study Committee to Evaluate the Placement of Delinquent Children in Residential Facilities, which could result in minimal costs to DCY if any support is provided to the committee.

### **Residential facility certification**

The bill requires the operator of a residential facility to demonstrate that the proposed facility meets all applicable local planning and zoning requirements. The bill also establishes a procedure for a county, township, or municipal corporation to revoke a conditional use permit respecting real property used as a residential facility in specified situations. There could be minimal costs associated with these provisions.

The bill also requires DCY, no later than 180 days after the bill's effective date, to adopt rules to do the following: (1) divide the state into regions, (2) determine an ideal number of residential facilities for each region, and (3) establish incentives to attract residential facilities to certain regions. Additionally, DCY is required to adopt rules, within 90 days, to establish a procedure for individuals in a community in which a residential facility is located to communicate concerns, complaints, or other pertinent information to the Department, as well as standards for tracking and retaining communications received. DCY may realize rule promulgation costs. Other costs regarding the procedures to receive and track such communications will depend on the rules adopted.

### **Educational stability of foster children**

The bill requires DCY and the Department of Education and Workforce (DEW) to create a standard form to be used by PCSAs and PCPAs to convey information necessary to support the education of children in their custody. The PCSA or PCPA must convey the information on the form to the student's school district verbally upon enrollment and within five days after

enrollment. DCY and DEW will realize minimal costs to create the form. Additionally, the school district in which a foster child is enrolled after being placed in a residential facility is required to assess the needs of the child for appropriate services and interventions. The results of the assessment are to be used to make recommendations regarding services and interventions to the PCSA or PCPA. According to the Public Childrens Services Agency Organization (PCSAO), costs could increase if schools recommended additional services beyond those currently provided. However, schools are to utilize available assessments as part of this process, so this could help schools with the assessment process.

Further, the bill requires DEW on at least an annual basis to provide all school districts with best practices to help ensure the educational stability of students in the custody of a PCSA or PCPA. DEW does not anticipate significant costs to develop and distribute the list of best practices.

### **Peace officer training**

The Attorney General is required to adopt rules governing the training of peace officers in identifying and interacting with at-risk youth. The Ohio Peace Officer Training Academy will provide this training. There could be minimal costs to promulgate rules. However, training costs would depend on the rules adopted and if any of this training is currently provided.

## **Health benefits**

### **Cost-sharing requirements for occupational therapy and physical therapy services**

The bill prohibits health benefit plans from imposing a cost-sharing<sup>3</sup> requirement, on a per-day basis, for services rendered by an occupational therapist or physical therapist licensed under Chapter 4755 of the Revised Code, or by a chiropractor licensed under Chapter 4734 of the Revised Code, that is greater than the cost-sharing requirement imposed by the plan for an office visit to a primary care physician or primary care osteopath physician licensed under Chapter 4731 of the Revised Code. The prohibition applies to health benefit plans on and after the bill's effective date. The bill also requires health plan issuers to state on their websites and on relevant literature that coverage for occupational therapy, physical therapy, and chiropractic services is available under the issuer's health benefit plans, as well as all related limitations, conditions, and exclusions.

The bill specifies that a violation of its provisions is considered an unfair and deceptive practice in the business of insurance under sections 3901.19 to 3901.26 of the Revised Code. Under continuing law, the Superintendent of Insurance is authorized to assess an insurer for half of the Department of Insurance's costs, up to \$100,000, reasonably incurred to conduct investigations of that insurer's committing unfair or deceptive acts in the business of insurance; violations of a cease and desist order issued by the Superintendent may lead to a court order of civil penalties up to \$3,500 for each violation or a total of \$35,000 in any six-month period.

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<sup>3</sup> "Health benefit plan" and "cost sharing" are defined under existing law, under R.C. 3902.50 (not in the bill). "Cost sharing" means the cost to a covered person under a health benefit plan according to any copayment, coinsurance, deductible, or other out-of-pocket expense requirement.

The bill includes a provision that exempts the bill's requirements from an existing requirement related to mandated health benefits.<sup>4</sup>

### **Fiscal effect**

The bill may increase the Department of Insurance's administrative costs to ensure health insurers adhere to the bill's requirements and insurance regulations. Any increase in the Department's administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540).<sup>5</sup> Any civil penalties that may arise due to violations of the bill's provisions, depending on the number of such violations, would also be deposited into Fund 5540.

The bill has no direct fiscal effect on the state and local governments' health benefit plans for employees and their dependents. Though cost-sharing provisions are a tool used by health benefit plans to manage costs, plans may adjust their cost-sharing requirements for services rendered by physicians, as well as occupational therapists, physical therapists, and chiropractor services to comply with the bill's requirements. Such flexibility may allow them to avoid an overall cost increase. The bill does reduce the flexibility currently available to plan sponsors, however, which could lead to an indirect increase in costs for such sponsors, including the state and political subdivisions.

### **Hearing aid coverage**

The bill requires health benefit plans to provide coverage for the cost of both of the following: (1) one hearing aid per hearing-impaired ear up to \$2,500<sup>6</sup> every 48 months for a covered person under 22 years of age who is verified as being deaf or hearing impaired by a licensed audiologist or by an otolaryngologist or other licensed physician, and (2) all related services prescribed by an otolaryngologist or recommended by a licensed audiologist and dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist. The bill specifies that a health plan issuer is not required to pay a claim for the cost of a hearing aid if less than 48 months prior to the date of the claim, the covered person received the required coverage from any health benefit plan.

The required coverage applies to all health benefit plans, as defined in section 3922.01 of the Revised Code, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the bill's effective date. The bill includes a provision

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<sup>4</sup> Under R.C. 3901.71, not in the bill, no mandated health benefits legislation enacted by the General Assembly after January 14, 1993, may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state or by any agency or instrumentality of the state or any political subdivision of the state.

<sup>5</sup> Revenue to Fund 5540 comes from various fees imposed on insurance companies, primarily insurance agent license fees and agent appointment fees.

<sup>6</sup> The bill specifically allows a covered person to choose a higher priced hearing aid, so long as the person pays the difference in cost.



that exempts the bill's requirements from an existing requirement related to mandated health benefits.

### **Fiscal effect**

According to a Department of Administrative Services (DAS) official, the state's health benefit plans are currently providing more generous coverage for hearing aids than is required under the bill. The official also indicated that if there is any additional cost to the state's plan, it would be minimal. The state's health benefit plan is more generous in the sense that the state plan does not limit the coverage to the first \$2,500 of the cost of a hearing aid, and the benefit is available to a covered individual every year rather than once every 48 months. But the state's plan does require copayments that appear not to be permitted under the bill, so there would likely be some cost.<sup>7</sup> The costs of state employees' health benefits are paid out of the State Employee Health Benefit Fund (Fund 8080). Fund 8080 is funded by employer contributions derived from the GRF and various state funds and state employee payroll deductions.

On the other hand, the required coverage would increase costs to local governments to provide health benefits to employees and their dependents, though any political subdivision that already complies with the bill's requirements would experience no cost increase. Based on the LBO assumptions, the estimated statewide costs to counties, municipalities, and townships would be up to \$1.3 million in the first year; after the initial year, the average annual costs would be lower because the coverage is not required every year, ranging up to \$330,000. The estimated statewide costs to school districts would be up to \$1.7 million in the first year; similarly, after the initial year, the average annual costs would range up to \$430,000.

The bill may increase the Department of Insurance's administrative costs related to regulation of insurers under its purview. Any such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The bill may also increase administrative costs for the Speech and Hearing Professionals Board to adopt professional standards related to permit compliance with the bill's provisions. Any increase in such cost would be paid from the Board's line item 123609, Operating Expenses.<sup>8</sup>

The bill's provisions do not apply to the state Medicaid Program and so there is no cost to the Medicaid Program. Under Ohio Administrative Code Rule 5160-10-11, Medicaid is currently required to provide coverage for a hearing aid if it is medically necessary.

## **Tax changes**

### **Foreclosure sales**

The bill makes several changes to the property sales arising from court judgments against debtors in default of their mortgage or property taxes. Ohio is a judicial foreclosure state,

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<sup>7</sup> Under the state's health benefit plans, hearing aid benefits for accident, congenital illness, or injury are covered at 80% after deductible for network providers and at 60% after deductible for non-network providers with no age limit or lifetime maximum, in each plan year. Hearing aid benefits for natural hearing loss are covered at 50% after deductible for both network and non-network providers, with a \$1,000 lifetime maximum. In addition, hearing examinations are covered through age 21 at 100% for network providers, and at 60% after deductible and a \$30 copay for non-network providers.

<sup>8</sup> The Board is funded by fees and does not receive any GRF funding.

meaning a court oversees the foreclosure process. The court declares a sheriff's sale, which means that the property will be sold at a public auction. Upon completion of the sale, the sheriff must pay out of the proceeds, which normally includes clerk of court costs (including sheriff fees, appraiser fees, advertising costs, etc.), delinquent taxes, and the remaining balance is paid to the judgment creditor.

Among the multiple changes contained within the bill, the "excess funds" provision has the most prominent fiscal effect. In the event that the amounts paid for the property at auction exceed the court order for restitution, continuing law requires the judgment debtor to be notified. The bill increases the threshold for this notification from an excess balance of \$100 to \$500. Moreover, the bill reduces the administrative requirements imposed on the clerk of court in those instances when the judgment debtor's name or address are unknown. The bill authorizes comparatively less expensive notification options, such as a notice published in a newspaper, posted on the clerk's website, sent via text message to the judgment debtor, or posted in a conspicuous place in the court where the foreclosure action commenced. The bill's changes will slightly reduce administrative expenditures for political subdivisions and potentially increase their revenues by minimal amounts.

### **Expedited tax foreclosures**

The bill modifies a law that allows certain tax-foreclosed property to be transferred directly to a county land bank or political subdivision without a foreclosure sale. The change applies to abandoned property that is subject to continuing law's expedited administrative tax foreclosure process. Specifically, a county may only transfer abandoned property directly to a county land bank or political subdivision without a public sale if the total tax delinquency, including foreclosure costs, exceeds the property's fair market value.

This change may result in some properties being included in groups of foreclosed properties put up for sale, rather than transferred administratively, possibly at some additional cost. However, with procedures in place for conducting such sales, additional costs to counties seem unlikely to be substantial.

### **Ohio Opportunity Zone tax credits**

Beginning in FY 2026, the bill allows tax credits for investments in Ohio Opportunity Zones to be claimed against the financial institutions tax, the domestic insurance companies tax, and the foreign insurance companies tax, in addition to the income tax. Under current law, the credits can only be claimed against the income tax.

The Department of Development may accept and review applications submitted during two annual periods, the first of which begins on the tenth day of January and ends after the first day of February, and the second of which begins on the tenth day of July and ends after the first day of August. The bill shortens these application periods by ending them one week after the period begins, but given the effective date of the provision, this change will begin in FY 2026.

### **Fiscal effect**

Letting the credits be claimed against additional taxes appears unlikely to alter the amount of GRF money available. The taxes against which the bill would allow credits to be claimed are all GRF taxes. The Department of Development indicates that all credits for FY 2025 will be issued entirely to July 2024 applicants, and that a January 2025 application round will not

occur. Based on this indication of demand for these credits, allowing the credits to be claimed against additional taxes will not alter the total amount of credits claimed and used.

### **Background on Opportunity Zones<sup>9</sup>**

Following enactment of the federal Tax Cut and Jobs Act of 2017, Ohio established Opportunity Zones in 320 census tracts considered economically distressed, in 73 Ohio counties. Zones were selected based on inputs from local government officials and nonprofit and economic development organizations. In 2019, H.B. 166 created the Ohio Opportunity Zone tax credit. Long-term investments in the Opportunity Zones let investors maximize unrealized capital gains. Taxpayers are eligible for nonrefundable tax credits equal to 10% of the amount of their funds invested. Tax credits to each applicant may not exceed \$2 million in any fiscal biennium.

Current law, unchanged by the bill, provides that the total amount of Opportunity Zone investment tax credits that may be awarded by the Director of Development is limited to \$25 million in FY 2025 and each fiscal year thereafter. Credits are nonrefundable but may be transferred. Unused credits may be carried forward up to five years.

### **Sales and use taxation of delivery network services**

The bill acts to separate the collection of sales and use tax on goods sold by a “local merchant,” from “delivery network services” sold by “delivery network companies” acting as marketplace facilitators, which transport goods directly to consumers. All three terms are newly defined by the bill. In general, under current law, delivery charges for the preparation and transportation of tangible personal property, if sold by the seller of that property, are included in the price of a sale and consequently assessed sales and use tax.<sup>10</sup> The exception to this is for delivery charges either not directly imposed by the seller of the purchased goods, or imposed on the transportation of nontaxable items, e.g., food.<sup>11</sup> In the latter case, sales and use tax may be apportioned so as to only collect tax on the share of the delivery charge allocated to the taxable property. The bill changes this for delivery network companies (DNCs) receiving a waiver, making all delivery charges imposed by their company, including those assessed on the transportation of nontaxable items, taxable.

Following receipt of a waiver by a DNC, local merchants (LMs) transacting with that DNC would be required to collect and remit sales and use tax on all taxable goods sold by the LM and delivered by the DNC. As a result, state and local governments are not expected to incur revenue losses from the bill, as the collection of sales and use tax would merely be shifted from the DNC, the marketplace facilitator, to the LM, the marketplace seller. Moreover, some delivery charges previously exempt from taxation, such as those imposed on the conveyance of food, would become taxable for DNCs obtaining a waiver; to the extent the DNCs receiving a waiver do not currently collect tax on the portion of their delivery fees that transport nontaxable items, this may increase tax revenue. Lastly, a minimal cost is anticipated for the Ohio Department of Taxation from administrative processing requirements.

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<sup>9</sup> An overview of the Ohio Opportunity Zone Tax Credit Program can be found on the Department of Development website: [development.ohio.gov](https://development.ohio.gov).

<sup>10</sup> R.C. 5739.01(H)(1).

<sup>11</sup> Ohio Administrative Code 5703-9-52.

## **Food & delivery services spending**

Ohio households spend, on average, close to \$254 on food prepared and consumed at home and \$89 on food prepared outside the home or delivered, each week.<sup>12</sup> And the sales of third-party delivery services are rising significantly, with leading online grocery companies across the nation generating tens of billions of dollars in e-commerce sales annually.<sup>13</sup> As the share of these services increase, the proportion of Ohio sales and use tax collected through third-party delivery services is expected to rise.

## **Commercial activity tax**

For commercial activity tax purposes, gross receipts from the sale or lease of a motor vehicle must only be situated to Ohio if a certificate of title with an Ohio address is issued for that vehicle. The bill applies retrospectively and prospectively to all tax periods. The fiscal effect is indeterminate.

## **Sales tax exemption for sports facilities**

The bill exempts sales of tangible personal property that is sold for incorporation into the construction of a sports facility that houses major league professional athletic teams. Professional sport stadium upgrades and renovations can range from the low tens of millions of dollars to a billion dollars. Assuming these costs are paid for by an otherwise nonexempt private entity, the bill could reduce state sales tax collections by hundreds of thousands of dollars or as much as tens of millions of dollars per stadium whenever such upgrades or renovations occur. County sales and use taxes could be reduced by hundreds of thousands to millions of dollars and local transit authority sales and use taxes could also be reduced by similar amounts. Currently, the only affected local governments would be Hamilton, Cuyahoga, and Franklin counties along with their respective transit authorities.

## **Name, image, or likeness (NIL) changes**

### **Background of NIL in Ohio**

Since September 30, 2021,<sup>14</sup> the law has authorized intercollegiate athletes enrolled at an institution of higher education in Ohio to earn compensation from their name, image, or likeness (NIL). Generally, current law prohibits an institution of higher education, athletic association, conference, or other group or organization with authority over intercollegiate athletics from taking certain actions regarding an intercollegiate athlete who earns compensation from the athlete's NIL. Institutions must designate an official to review an NIL contract proposal and may establish reasonable policies or standards to address a student's failure to disclose to the official a proposed contract or any other failure to comply with NIL requirements. For example, an Ohio State University football player could receive a contract from a local car

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<sup>12</sup> [U.S. Census Bureau](#) Household Pulse Survey, Week 63.

<sup>13</sup> [Statista](#) article entitled "Total grocery e-commerce sales of leading online grocery companies in the United States in 2023," published March 25, 2024.

<sup>14</sup> The NIL provisions in current law replaced similar provisions in Executive Order 2021-10D, signed by the Governor on July 28, 2021.

dealership to promote their vehicles on social media. This contract would be reviewed by the university's designated NIL officer for compliance with university policies.

On November 18, 2024, the Governor signed Executive Order 2024-08D, which permits any institution of higher education in Ohio to directly compensate an intercollegiate student-athlete for the use of their NIL, provided that no state funding is used for that purpose. The executive order expires once a pending settlement<sup>15</sup> between several athletic conferences and the National Collegiate Athletic Association (NCAA) goes into full effect.

## Bill provisions

The bill makes various changes to provisions governing how current and certain former intercollegiate student-athletes<sup>16</sup> may earn compensation from their NIL. Most notably, the bill:

- Authorizes an institution of higher education in Ohio to directly compensate student-athletes for use of their NIL, provided the institution does not compensate the student-athlete using any fees paid to the institution by, or on behalf of, students attending the institution;
- Authorizes an institution to provide money, assets, resources, opportunities, services, or other benefits to an institutional marketing associate or third-party entity to incentivize it to facilitate opportunities for student-athletes to earn NIL compensation;
- Specifies that receiving compensation for NIL does not make student-athletes employees of the institution;
- Prohibits a student-athlete who is less than 18 years old from entering into an NIL-compensated contract unless the contract includes the written consent of the student-athlete's parent, guardian, or custodian; and
- Authorizes student-athletes, institutions, institutional marketing associates, and third-party entities to take legal action for injunctive relief if the provisions of the bill are violated.

For more information on all of the bill's provisions, please see the LSC bill analysis.

## Fiscal effect

Ultimately, the costs to state institutions will vary, depending on the extent to which each chooses to participate in NIL arrangements as proposed by the bill. Any costs would likely depend on a number of factors, including the number of student-athletes involved and the institution's existing administrative resources. According to a spokesperson for the Inter-University Council (IUC), public universities may need to do a full analysis on staffing to determine if additional NIL management staff are needed to implement and manage a new NIL model. For example, universities may incur increased costs related to fundraising for NIL-related funds and ensuring that funds raised through NIL are used in accordance with the requirements of the donor and NIL activity. Costs may also vary depending on the university's size and infrastructure. Larger

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<sup>15</sup> [In re College Athlete NIL Litigation](#), No. 4:20-cv-0319-CW (N.D. Cal.).

<sup>16</sup> The bill expands NIL provisions to include former intercollegiate student-athletes, if they are not playing professionally.

universities may face higher administrative costs due to the greater number of student-athletes engaging in NIL deals, as well as the complexity of compliance monitoring. On the other hand, smaller institutions may need to add resources to operate under the bill's NIL provisions if they choose to participate. Any expenses could be offset, at least somewhat, by revenue received from donations or other third-party sources, as long as those funds are not from fees paid to the institution by, or on behalf of, students attending the institution.

## **Post-release employment assistance**

The bill eliminates the existing identification (ID) cards provided by the Department of Rehabilitation and Correction (DRC) and the Department of Youth Services (DYS) that are used by individuals in their custody to later obtain a state ID card or temporary ID card from the Bureau of Motor Vehicles (BMV), and instead requires DRC and DYS to assist those individuals in obtaining an ID card directly from the BMV. The bill further requires DRC, with limited exceptions, to provide every individual released who intends to reside in Ohio after serving a felony prison term with certain documentation to assist in obtaining post-release employment, and to provide assistance in creating a resume and conducting a practice job interview in certain circumstances, if resources are available or if third parties can assist with those services at no cost to DRC. The bill also permits DRC to contract with government or nonprofit workforce development reentry reorganizations to provide resume and practice interview services.

The bill delays the administrative implementation of the ID card requirements by 18 months.

## **Fiscal effect**

The bill may result in negligible costs for the BMV to create a process by which DRC and DYS may submit applications for state ID cards and to issue such cards at no cost for individuals under age 17. Since state identification cards are already provided at no cost to Ohio residents age 17 and older, this analysis presumes a relatively cost neutral impact for this population. The BMV currently produces state ID cards at a cost of \$1.47 per card.<sup>17</sup> Based on an analysis of data from various DYS and DRC annual reports, it seems reasonable to conclude that less than 100 additional individuals would qualify for a free state ID annually.<sup>18</sup>

The impact of the bill's changes to the way DRC and DYS provide assistance to individuals in their custody in obtaining a state ID card and the additional employment-related documents and post-release employment documentation requirements placed on DRC is likely to be minimal, with any potential increase in workload or related costs that may be incurred by either department expected to be absorbed utilizing existing resources. DRC's Office of Workforce

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<sup>17</sup> This amount, as of February 26, 2023, includes production costs of \$1.41 per card, plus 6¢ in handling charges. It should be noted that the BMV's contract with the current credential production vendor is nearing its end and these amounts are expected to increase under a new contract.

<sup>18</sup> This estimate is based on information obtained from (1) the FY 2019-FY 2023 DYS Annual Reports, which are available on the DYS website: [dys.ohio.gov/about-us/communications/reports/01-annual-reports-all](https://dys.ohio.gov/about-us/communications/reports/01-annual-reports-all), and (2) from the FY 2019-FY 2023 DRC Commitment Reports, which are available on the DRC website: [drc.ohio.gov/about/resource/reports](https://drc.ohio.gov/about/resource/reports).

Development would likely need to modify current procedures to conform to the bill's requirements, some of which may be codifying current practice.

## Waste energy recovery systems

The bill expands the definition of a waste energy recovery system (WERS) to include facilities producing steam from waste heat generated by a manufacturing process. Under the bill, the steam produced can be utilized by the same facility or transferred to another to provide heat to a different manufacturing process, or to generate electricity. In general, a WERS placed into service or retrofitted on or after September 10, 2012, qualifies as a renewable energy resource under the state's renewable portfolio standard (RPS), if the WERS was not separately included in an electric distribution utility's (EDU's) energy efficiency portfolio program. The RPS requires specific annual benchmarks that EDUs and competitive retail electric service (CRES) providers must meet regarding the proportion of electricity generated from renewable energy resources. For calendar year (CY) 2024, this proportion is 7.5% of electricity supply.<sup>19</sup>

In order to meet these renewable energy requirements, EDUs and CRES providers often purchase renewable energy credits (RECs) from facilities generating electricity from renewable sources, which are sold on a megawatt-hour (MWh) basis and represent the compliance currency for Ohio's RPS. The bill would allow RECs to be certified in the aforementioned steam-producing facilities as a result of the energy savings realized from the steam's utilization in another manufacturing process, rather than limiting certification solely to the direct production of electricity.

## Renewable energy credits

According to the most recent RPS Report to the General Assembly, compiled by the Public Utilities Commission of Ohio (PUCO) for CY 2022, EDUs and CRES providers retired over 7.2 million RECs to satisfy the 6.5% RPS compliance obligation for the year.<sup>20</sup> Waste heat accounted for roughly 11% of these retired RECs. Overall supply of RECs, however, far exceeded demand.

The total number of eligible RECs recorded through the two attribute tracking systems used by Ohio's EDUs and CRES providers for 2022 was over 25.4 million.<sup>21</sup> The weighted average price of a REC retired by EDUs and CRES providers in 2022 was \$9.39, down from a recent high of \$13.54 in CY 2020. See the table below for additional details.

Year	RPS	Average Price per MWh	Mandated Demand (MWh)	Eligible Supply (MWh)
2019	5.28%*	\$9.16*	6,509,239*	14,567,822

<sup>19</sup> R.C. 4928.64(B)(2).

<sup>20</sup> Source: PUCO RPS [Report](#) to the General Assembly for Compliance Year 2022.

<sup>21</sup> Sources: PJM Environmental Information Services Generation Attribute Tracking System ([GATS](#)) and the Midwest Renewable Energy Tracking System ([M-RETS](#)).

Year	RPS	Average Price per MWh	Mandated Demand (MWh)	Eligible Supply (MWh)
2020	5.50%	\$13.54	6,027,768	15,707,491
2021	6.00%	\$12.29	6,709,511	20,424,493
2022	6.50%	\$9.39	7,204,421	25,476,767

\*Prior to CY 2020, Ohio's RPS included a specific solar carve out within the compliance benchmark. Only the nonsolar requirement is displayed for CY 2019.

Eligible RECs from WERS facilities accounted for nearly 1.7 million MWhs in 2023.<sup>22, 23</sup> However, it is unknown to what extent these facilities currently utilize steam to save energy in manufacturing processes. At least one cokemaking facility in southern Ohio, however, lists a production capacity of approximately 450,000 pounds of superheated steam per hour and has expressed interest in receiving REC certification for the WERS definition authorized under the bill.<sup>24</sup> A petrochemical plant close by benefits from some of this steam, powering their distillation process and decreasing the facility's reliance on nonrenewable energy sources.

The bill's expansion of the definition of WERS is expected to increase REC supply beyond what is certified in baseline law. The extent of that increase, however, is unknown. Although the price of RECs could decrease with the added WERS supply, WERS-related RECs represent only a small fraction of EDUs' and CRES providers' typical compliance strategy, and their impact is expected to be minimal on the overall average price of RECs in CY 2024 and years thereafter.

## **Other provisions with little or no fiscal effect**

The bill contains various provisions with little, if any, direct fiscal effects. It provides that vehicles owned by townships display the word "Township" on their license plates, similar to vehicles owned by cities or counties which have "City" or "County" license plates. The bill also eliminates a requirement that each township provide its fiscal officer with a book for the record of marks and brands used for livestock ownership identification. Additionally, the bill clarifies existing law that boards of township trustees' emergency powers include emergencies due to a natural disaster, civil unrest, or the derailment of a locomotive. Next, the bill eliminates the requirement that the county prosecutor approve specifications of fire equipment. In addition, the bill repeals provisions of law requiring townships, whenever the board of trustees wishes to build or improve a town hall at a cost that requires competitive bidding, to submit the question to the electors. The bill also designates August 24 as "Ukraine Independence Day." Under the bill, community action agencies (CAAs) are exempt from the Ohio Open Meeting Law and instead

<sup>22</sup> Sources: PJM Environmental Information Services Generation Attribute Tracking System ([GATS](#)) and the Midwest Renewable Energy Tracking System ([M-RETS](#)).

<sup>23</sup> Source: U.S. Energy Information Administration (EIA) [Form 923](#) for 2023.

<sup>24</sup> Sources: Sponsor testimony for H.B. 264, House Energy & Natural Resources Committee – October 4, 2023 and SunCoke Energy Haverhill 1 & 2 Cokemaking Facility [Fact Sheet](#).



required to be incorporated as an Ohio nonprofit with written operating procedures for both virtual meetings and public notice. Finally, the bill adds an OHIO811 nonvoting advisory member to the Underground Technical Committee (UTC). This provision has no direct fiscal effect, as UTC members do not receive compensation nor reimbursement for expenses incurred in the discharge of their duties.