

AOS Legislative Update

LGOC Legislative Affairs

March 19, 2026

Legislative Affairs

- Who we are
- What we do
- Legislative Process

136th General Assembly

- HB 96 – Operating Budget (FY26-FY27)
- Bills to watch

136th General Assembly – HB 96

AOS Priorities included:

- Local government receivership
- Cybersecurity
- AOS Clean-Up (HB248)
- State institutions under fiscal caution
- School forecasts
- Data access
- Definition of a school building
- 9.03 charter exemption
- Certificate of transition for Sheriffs
- Owner-Occupancy credit

136th General Assembly – HB 96

Local Government Receivership (ORC 118.29)

- Establishes a process for the creation of a receivership for counties, townships, and municipal corporations in fiscal emergency.
- The Court of Claims will appoint the receiver and shall terminate the receivership when the municipal corporation, county, or township has corrected and eliminated all the fiscal emergency conditions determined pursuant to section [118.04](#) of the Revised Code, and no new fiscal emergency conditions have occurred.

136th General Assembly – HB 96

Cybersecurity (ORC 9.64)

- Bulletin 2025-007
- Political subdivisions must:
 - Implement a cybersecurity program
 - Report cyber incidents to DPS and AOS
 - Obtain approval from their legislative body for ransomware payments

136th General Assembly – HB 96

AOS Clean-Up (HB 248)

- AOS Responsibilities Project
- 44+ ORC Code Changes to update the code to reflect the current mission and duties of AOS.

136th General Assembly – HB 96

State institutions under fiscal caution

(ORC 3345.721, 3345.71)

- Creates a definition of fiscal caution for state institutions of higher education
- Requires a state institution in fiscal caution to consult with AOS regarding steps to bring the institution's financial accounting and reporting into compliance with AOS requirements.
- Permits the Chancellor, OBM, or AOS to conduct any audit or analysis necessary to assess the fiscal condition of any state university or college.

136th General Assembly – HB 96

School Forecasts (ORC 5705.391)

- Requires each school district board of education to submit appropriations, revenue, and fund balance assumptions contained in the board's budget for that fiscal year, in addition to projections of expenditures, revenues, and fund balances for the three succeeding fiscal years.
- Requires each district board to submit its current budget information and three-year projections by August 31 of each fiscal year and updated information and projections by the last day of February of that fiscal year.

136th General Assembly – HB 96

- Data Access
- Definition of a school building
- 9.03 Charter exemption
- Certificate of Transition for Sheriffs

136th General Assembly – HB 96

Property Tax Changes Enacted

- Owner-Occupancy- Statewide screening system for eligibility to receive the 2.5% owner-occupancy credit and homestead exemption, administered by Tax.
- County-level opt-in homestead and owner-occupied exemptions, allowing county commissioners to establish local versions of these programs—without reimbursement from the state or compensation to other local governments if revenue is lost.
- Addition of a county-commissioner-selected alternate to county budget commissions (CBCs), who can serve in place of the county prosecutor if needed.
- Mandatory annual public meeting by the CBC, explaining the concept and function of “inside millage.”

136th General Assembly – HB 96

Property Tax Changes Vetoed

- Eliminating authority for “replacement property tax levies” after January 1, 2026. Existing ones remain, but replacements upon expiration would require voter renewal or renewal-with-increase. ***House & Senate Override**
- Requiring ballot language to say “market value” instead of “county auditor’s appraised value.” Including additional levy types—such as emergency, substitute, incremental growth, conversion, and property-tax portion of combined income/property tax levies—in calculating the school districts’ 20-mill floor.
- Prohibiting certain levy types for school districts:
 - Fixed-sum emergency levies
 - Substitute emergency levies
 - Combined income-and-fixed-sum property tax levies
 - Any new levy if the district’s carry-over balance is above 100% (though renewals are still allowed).
- Allowing CBCs to reduce school district property tax millage if carryover balance is $\geq 40\%$ (with tiered reductions based on amount).
- Allowing CBCs to reduce millage on voter-approved local levies (except debt levies)—even lowering revenue compared to prior year, under certain conditions.

136th General Assembly – HB 96

Property Tax Working Group

- Governor DeWine appointed an 11-person committee tasked with thoroughly examining how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, fire, police, EMS, libraries, and developmental disabilities is adequate.
- The Co-Chairmen are Bill Seitz & Pat Tiberi, with the rest of the committee including two county auditors, a county treasurer, a mayor, two superintendents, and three county commissioners.
- They had until September 30th to submit a report of their findings to the Governor, which included 20 recommendations such as:
 - Limiting carry over balances for all taxing districts to 100%.
 - Implementing an inflation cap for school districts on the 20-mill floor, including inside millage
 - Limiting emergency levies to entities under fiscal caution, watch or emergency as defined by the auditor of state and imposing a five-year time limit.
 - Allowing county commissioners to review and potentially reject levies proposed by non-elected countywide entities.

136th General Assembly – Currently Watching

SB 29 – Allow municipalities to create JEDDs

- Introduced Jan. 2025, Remains in Senate Committee after 3rd Hearing in Feb. 2025
- Amends section 715.72 of the Revised Code to permit two or more municipalities to create a joint economic development district without the involvement of a township.

HB 49 – Create Water Improvement Districts

- Introduced Feb. 2025, Remains in House Committee after 1st Hearing in Apr. 2025
- Allows for the creation of water improvement districts in Ohio.

HB 76 – Increase Township Trustees

- Introduced Feb. 2025, Remains in House Committee after 1st Hearing in Feb. 2025
- Allows townships with a population of 20,000 or more to increase the number of trustees from three to five members.

136th General Assembly – Currently Watching

HB 274 – Firefighting & EMS

- Introduced May 2025, Remains in House Committee after 1st Hearing in May.
- Mandates that municipal corporations must provide firefighting and emergency medical services.
 - Townships must also provide Fire and EMS to unincorporated areas of the township.

HB 278 & SB 300 – TOS Clean-Up

- Introduced May 2025, Remains in House Committee after 2nd Hearing in Feb. 2026. SB 300 introduced in October, Remains in Senate Committee after 1st Hearing in Feb. 2026.
- Introduces multiple revisions and new provisions across various sections of ORC.
 - Includes administrative fee adjustments, mandatory electronic payment avenues, and public fund management provisions.

HB 314 – Vexatious Public Records

- Introduced June 2025, Remains in House Committee after 2nd Hearing in Feb. 2026.
- Restricts harassing or disruptive public records requests and allow public offices to engage private contractors to handle voluminous requests.
 - Includes provisions for Public Offices to deny requests if they are ambiguous or overly broad.

136th General Assembly – Currently Watching

HB 397 – Allowed Profit Use-Commissary Funds

- Introduced in July 2025. Passed House, Remains in Senate Committee after 1st Hearing in Feb. 2026.
- Expands allowable uses of jail commissary funds profits, such as for the purchase of supplies & equipment necessary for the operations of the jail or emergency expenditures for the facility if the urgency of the expenditure is demonstrated.
- Profits may also be used to supplement costs for equipment, salaries, training, and operational expenses of investigative personnel or units tasked with safeguarding the rights of inmates.

HB 455 – DEW Clean-Up

- Introduced in September 2025. Passed House, Remains in Senate Committee after 1st Hearing in Feb. 2026.
- Requires DEW and AOS to work together to develop a uniform mechanism for schools & school districts to report disadvantaged pupil data to the department.

HB 554 – Requiring Governmental Entities/Private Sellers to Accept Cash

- Introduced October 2025, First Hearing in House Committee in November.
- Requires government entities to accept cash for any transaction totaling \$500 or less and prohibits higher prices being charged to people using cash as payment.

136th General Assembly

HB 309 – County Budget Commissions (Passed)

HB 413 – Create Local Govt Expenditure Database

HB 445 – Regional Councils, Metro planning

HB 454- Create Government Efficiency Commission

HB 499- County Budget Commissions

HB 520 – Establish County Blue Ribbon Committees

HB 574 – Subdivision Consolidation Grant Pilot Program

HB 592 – Regarding Municipal Incorporation

HB 609 – Public Testimony Requirement

HB 695 – NDA Prohibition – Local Officials

SB 307- Allow TIF for Police & Firefighting Facilities

SB 340 – Voter Approval – Traffic Cameras

Attorney General Opinion's of Note:

2022-009

- County Treasurers cannot take an ownership interest in outstanding annuities when the designated beneficiary of the annuities is either unknown or not found.

2022-017

- A park-district board is not authorized to create a reserve fund, only a replacement fund. It is authorized to modify the language of a replacement, or replacement and additional tax levy, and derives its authority to tax and levy under R.C. 1545.20-21. Commissioners of a park-district board are not required to reside in the territory of the park district.

2024-002

- A board of township trustees lacks authority to establish a death benefit payable directly from township funds to the family of a township employee who dies while so employed.

2025-001

- A county land reutilization corporation is not a financial institution within R.C. 505.86(F). A township, does not have the authority to borrow money from a county land reutilization corporation.

Attorney General Opinion's of Note:

2025-004

- When renewal or replacement special levies are designated specifically for the provision of health and human or social services, the taxing authority has no authority to utilize funds for the wholly separate purpose of constructing permanent improvements.

2025-012

- A county agricultural society organized under R.C. Chapter 1711 is a political subdivision for purposes of R.C. 9.68.

2025-014

- A finance director of a city may not serve simultaneously as a township fiscal officer in a township that contracts with that city for services.

2025-018

- A non-home-rule township lacks authority to directly enter into a memorandum of understanding with a chartered nonpublic school to provide school resource officer services to the school.

Questions?

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