

OHIO CONFERENCE OF COMMUNITY DEVELOPMENT LEGISLATIVE MATTERS

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OCCD Legislative Committee

The following is a summary of recent Ohio General Assembly activity relating to economic development matters through April 17, 2025.

LEGISLATION RECENTLY ENACTED

House Bill 238 (From prior General Assembly. Passed December 18, 2024; signed by the Governor January 8, 2025; effective April 9, 2025.) This Bill, among other provisions, revises the membership of the Ohio Housing Finance Agency by adding as nonvoting members two Senate members (one from each major political party) to be appointed by the Senate President, and two House of Representatives members (one from each major political party) to be appointed by the Speaker of the House.

House Bill 257 (From prior General Assembly. Passed December 18, 2024; signed by the Governor January 8, 2025; effective April 9, 2025.) This Bill authorizes certain public bodies to meet virtually; but does not permit virtual meetings or a member of the public body from attending virtually if the meeting or hearing involves a vote to approve a major nonroutine expenditure or significant hiring decision, as defined by the public body's policy, or to propose, approve, or vote on a tax issue or increase, or if the board's members are compensated (excluding compensation for qualified expenses) for their position as board members or elected to their positions by a vote of the general public.

House Bill 315 (From prior General Assembly. Passed December 18, 2024; signed by the Governor January 2, 2025; effective April 2, 2025.) This Bill, among other provisions, specifies which body serves as the organizational board of commissioners of a new community authority if more than one body is eligible; modifies various township newspaper publication requirements to allow publication via the print or digital edition of a newspaper of general circulation, the official public notice website, or via the township's website and social media account; eliminates procedures for the designation of a county lead entity under the Brownfield Remediation Program and, instead, revises what is considered a lead entity by eliminating the stipulation that a lead entity must be a grant award recipient and the responsible party with whom

the Department of Development executes a grant agreement for grant funds, and by clarifying that a lead entity means a county, township, municipal corporation, port authority, conservancy district, park district or other similar park authority, county land reutilization corporation, or organization for profit; regarding current law that allows money appropriated to counties that is unspent after a calendar year to be made available for grants statewide on a first-come, first-served basis, eliminates the requirement that those grants be limited to 75% of a qualifying project's total cost; prohibits the Department of Development, in awarding a historic rehabilitation tax credit, from considering whether a project will benefit an economically distressed area; allows, under certain conditions, a cooperative economic development agreement (CEDA) to include a new type of agreement that would allow a political subdivision's regulations to apply within territory wherein the regulations would not otherwise apply; and specifically includes road and bridge improvements and regulations as types of government improvements and services that CEDAs should be liberally construed to allow.

House Bill 496 (From prior General Assembly. Passed December 18, 2024; signed by the Governor January 8, 2025; effective April 9, 2025.) This Bill revises the law governing property and lodging taxes and county auditors. Among other provisions, the Bill modifies information a county auditor must certify in the process of submitting a property tax levy to voters, including information appearing on election notices and ballot language, as follows: requires rounding estimated revenue to the nearest \$1 rather than the nearest \$1,000; requires this estimate and rate estimates for bond and fixed-sum levies to be based on valuations on the last available tax list rather than a possible estimate; and requires certifying the residential/agricultural effective rate of renewed or extended levies based on the last known rate, as opposed to an estimated effective rate that assumes the levy is approved.

House Bill 497 (From prior General Assembly. Passed December 18, 2024; signed by the Governor January 8, 2025; effective April 9, 2025.) This Bill makes various changes regarding county law. Among other provisions, the Bill exempts county improvement projects for minor repairs from the requirement to obtain detailed plans, bills, specifications, and cost estimates from an architect or engineer; modifies the approval process for county courthouse and jail projects with an estimated cost of \$75,000 or less; increases, from \$1,000 to \$20,000, the threshold at which a county prosecutor is required to approve contracts related to county improvements; simplifies the process a county must follow to donate unneeded property; increases threshold amounts, from \$50,000 to \$75,000, related to the county notice requirement for purchases, leases, and construction contracts, and related to guaranty and bonding requirements for county contracts; prohibits a contract entered into by a county for the procurement of goods or services from including certain terms and conditions; and permits a county to publish required county advertisements in only the digital edition of a newspaper of general circulation within the county, or only on the county's website and social media account.

LEGISLATION PASSED BY THE HOUSE

House Bill 28 (Introduced January 28, 2025; passed by the House on March 19, 2025; first hearing in Senate Ways and Means Committee on April 8, 2025.) This Bill would eliminate the authority to levy replacement property tax levies, beginning with elections held on or after October 1, 2025.

House Bill 96 (Introduced February 11, 2025; passed by the House on April 9, 2025; informal hearings have been occurring in the Senate and now formal hearings are beginning.) This Bill is the biennial operating budget. Some provisions in the House-passed version that may be of interest are:

Overview

The House version of the biennial budget for FY 26-27 appropriates \$91.5 billion from the General Revenue Fund, and \$202.7 billion from all funds (by comparison, the FY 24-25 budget as enacted appropriated 86.1 billion from the General Revenue Fund and \$190.7 from all funds).

Ohio Civil Rights Commission

Allows housing discrimination cases to be pursued as a civil suit sooner. (R.C. 4112.055)

Department of Commerce - Board of Building Standards

Allows the Board of Building Standards (BBS) to adopt rules that allow municipal, township, and county building departments to accept plan, examination, and inspection reports from third-party building plan examiners and building inspectors. Separates the residential building code into two categories of enforcement: (1) the erection of and construction of new residential buildings; and (2) the repair and alteration of existing residential buildings. Permits the BBS to establish a grant program to assist local building departments in the recruitment, training, and retention of qualified personnel. (R.C. 3781.10, 3781.102)

Department of Development - Welcome Home Ohio Program

Adds certain “qualified nonprofit developers” as eligible applicants for grants to purchase or rehabilitate residential property under the Welcome Home Ohio Program (WHO). Extends the WHO tax credit from the end of FY 2025 to the through the end of FY 2027, and caps the total amount of credits awarded in the biennium at \$20 million. Increases the amount of the WHO tax credit from one-third of the construction and rehabilitation costs to 90% of such costs. Raises the income eligibility threshold to purchase WHO-funded property from 80% to 120% of the median income of the county in which the property is located. Increases the amount for which WHO-funded homes may be sold from \$180,000 to \$220,000. Allows WHO funds to be used to acquire or rehabilitate manufactured homes. Decreases the minimum square footage WHO-funded units in a multi-unit property from 1,000 to 800 square feet. Requires, if grant funds are used to construct or rehabilitate a unit in a multi-unit property, that no portion of the funds are used to construct or rehabilitate portions of the building that are for nonresidential uses, except for common areas used by the occupants of the residential units and improvements that serve both the residential units and the other portions of the building. Increases the maximum grant for land banks and qualified nonprofit developers to construct or rehabilitate qualifying residential property from \$30,000 per home to \$100,000 per home. Caps the grant amount for land banks and qualified nonprofit developers to acquire qualifying residential property at \$100,000 per home. Allows up to \$2,000 in each WHO grant to be used to fund the financial literacy counseling that grant recipients are required, under continuing law, to provide to purchasers of the property. Requires that the counseling be provided over six months, rather than one year. Requires such counseling to be provided by a “qualifying counseling provider,” meaning an individual, business, nonprofit organization, or political subdivision that is licensed,

certified, or authorized to provide homeownership counseling and financial literacy as one of its primary functions, including housing counselors certified by the U.S. Department of Housing and Urban Development or the Ohio Housing Finance Agency. Reduces from 5 years to 3 years the amount of time the purchaser of a WHO-funded home must agree to occupy the home as a primary residence and not rent it to any other person. Reduces from 20 years to 15 years the amount of time the purchaser of a WHO-funded home must agree to not sell the home to anyone whose income meets the WHO eligibility thresholds. Allows a grant or tax credit recipient to include in the deed restriction a right of first refusal to repurchase the property in order to ensure that subsequent purchasers meet the income eligibility thresholds. Requires the Director to adopt rules to determine the value of qualifying residential property located in a building with other uses and the total value of the building. Requires a land bank or qualified nonprofit developer to use profits derived from the sale of qualifying residential property on which grant funds are spent for the land bank's land reutilization program or the qualified nonprofit developer's housing program. Earmarks \$22,812,500 in each fiscal year to be allocated to land banks to purchase residential property at foreclosure sales. Earmarks \$22,812,500 in each fiscal year to be allocated to rehabilitate or construct residential property for income-restricted owners. (R. C. 122.631, 122.632, 122.633, Bill Sections 259.30, 512.10)

Department of Development – Housing Accelerator Grants

Establishes a grant program, with funding of \$2.5 million each fiscal year, to be administered by the Department of Development for townships and municipal corporations that adopt and implement at least three pro-housing policies as defined by the Bill. (R.C. 122.634, Bill Section 259.20)

Department of Development – Ohio Housing Trust Fund

Removes the requirement that the designated share of Low- and Moderate-income Housing Trust Fund fees collected by county recorders be deposited into the Ohio Housing Trust Fund. Requires that each county use Low- and Moderate-Income Housing Trust Fund fees for purposes determined by the appropriate county board of commissioners. (R.C. 319.63, 174.02, 317.36)

Department of Development – Brownfield Remediation and Demolition and Site Revitalization

Limits spending on administration costs under the brownfield remediation fund to 2.5% in each fiscal year. Transfers \$250,000,000 from the All Ohio Future Fund to the Brownfield Remediation Fund. Transfers \$20,000,000 in each fiscal year from the Tangible Property Tax Replacement Fund to the Building Demolition and Site Revitalization Fund. (Bill Section 259.30, 512.10)

Department of Health – Lead Abatement Program

Increases to \$50,000 (from \$10,000) the maximum amount of the tax credit that can be issued for lead abatement. (R.C. 3748.13)

Department of Taxation – Historic Rehabilitation Tax Credit

Prohibits the Department of Development from using building vacancy or underutilization as part of the criteria for awarding historic rehabilitation tax credits. Increases

the percentage of rehabilitation costs a certificate owner may claim as a credit from 25% to 35% for a project that is not located in a municipality with a population of at least 300,000. Permanently increases the annual cap on the Ohio historic building preservation tax credit from \$60 million to \$90 million per fiscal year. (R.C. 149.311)

Department of Taxation – Transformational Mixed Use Development Tax Credits

Removes the June 30, 2025 sunset date for the transformational mixed use development (TMUD) tax credit program, and continues to allow the award of up to \$100 million in credits per fiscal year in FY 2026 and years thereafter. (R.C. 122.09)

Department of Taxation – Community Reinvestment Area Agreements and Exemptions

Allows a county, municipality, or home rule township to amend an existing community reinvestment area (CRA) agreement to extend the term of the CRA tax exemption to a total of 30 years for an existing building that is expected to be the site of a megaproject or owned or occupied by a megaproject supplier. Allows a building to qualify for a CRA tax exemption as part of a megaproject so long as it is owned or occupied, as opposed to owned and occupied, by a megaproject operator or supplier. Establishes that a political subdivision that does not own the property subject to a CRA exemption, with an obligation to pay property taxes on that building, is not a required party to an agreement required for commercial CRA property tax exemptions. (R.C. 3735.67, 3735.671; Bill Section 801.220)

LEGISLATION INTRODUCED IN THE HOUSE

House Bill 49 (Introduced February 4, 2025; first hearing in House Natural Resources Committee on April 9, 2025.) This Bill would allow for the creation of water improvement districts.

House Bill 61 (Introduced February 5, 2025; first hearing in House Ways and Means Committee on February 19, 2025.) This Bill would modify the amount of the homestead exemptions and owner-occupancy property tax credit.

House Bill 103 (Introduced February 18, 2025; first hearing in House Ways and Means Committee on April 2, 2025.) This Bill would increase the homestead exemption amount and income limit.

House Bill 109 (Introduced February 18, 2025; first hearing in House Development Committee on March 26, 2025.) This Bill would limit the authority of local governments to regulate short-term rental properties, extend local lodging taxes to short-term rentals, and require collection of those taxes by short-term rental platforms.

House Bill 113 (Introduced February 18, 2025; first hearing in House Local Government Committee on March 5, 2025. See also House Bill 154) This Bill would modify the law regarding annexation, and require school district approval of residential community reinvestment area property tax exemptions.

House Bill 118 (Introduced February 24, 2025; referred to House Ways and Means Committee on February 26, 2025.) This Bill would revise the law governing lead testing, certification, and tax credits.

House Bill 135 (Introduced February 25, 2025; first hearing in House Community Revitalization Committee on April 1, 2025.) This Bill would prohibit discrimination in rental housing based on lawful source of income.

House Bill 147 (Introduced March 3, 2025; referred to House Development Committee on March 5, 2025.) This Bill would exempt from sales and use tax building materials sold to a contractor under a contract valued at \$25 million or more for projects in areas with a port authority.

House Bill 154 (Introduced March 6, 2025; first hearing in House Local Government Committee on April 2, 2025. See also House Bill 113.) This Bill would require school district approval of residential community reinvestment area property tax exemptions.

House Bill 161 (Introduced March 12, 2025; first hearing in House Development Committee on April 9, 2025.) This Bill would extend sales and use taxes and local lodging taxes to short-term rentals and to require collection of those taxes by short-term rental platforms.

House Bill 181 (Introduced March 18, 2025; referred to House Judiciary Committee on March 26, 2025.) This Bill would provide counsel to destitute defendants facing eviction.

House Bill 215 (Introduced April 1, 2025; referred to House Ways and Means Committee on April 9, 2025.) This Bill would prohibit most property tax levies submitted at a general election from taking effect in the current tax year.

LEGISLATION PASSED BY THE SENATE

N/A

LEGISLATION INTRODUCED IN THE SENATE

Senate Bill 5 (Introduced January 22, 2025; first hearing in Senate Judiciary Committee on February 12, 2025.) This Bill would provide for the expedited removal of unauthorized occupants from residential property and to prohibit the use and sale of fraudulent deeds.

Senate Bill 15 (Introduced January 22, 2025; referred to Senate Finance Committee on January 29, 2025.) This Bill would allow port authorities to establish a Common Bond Fund Program to finance port authority facilities.

Senate Bill 22 (Introduced January 22, 2025; referred to Senate Finance Committee on January 29, 2025.) This Bill would authorize a refundable income tax credit or rebate for homeowners and renters whose property taxes or a portion of their rent exceed five per cent of their income.

Senate Bill 28 (Introduced January 22, 2025; first hearing in Senate Housing Committee on February 18, 2025.) This Bill would levy a tax on certain high-volume landlords.

Senate Bill 29 (Introduced January 22, 2025; third hearing in Senate Local Government Committee on February 26, 2025.) This Bill would allow two or more municipalities to create a joint economic development district without involving a township.

Senate Bill 42 (Introduced January 28, 2025; first hearing in Senate Ways and Means Committee on February 12, 2025.) This Bill would authorize local governments to create residential stability zones where homeowners may qualify for a partial property tax exemption.

Senate Bill 45 (Introduced January 28, 2025; first hearing in Senate Local Government Committee on February 12, 2025.) This Bill would expand eligibility for county sewer discounted rates or charges.

Senate Bill 54 (Introduced January 28, 2025; third hearing in Senate Workforce Development Committee on April 1, 2025.) This Bill would establish a certification for specialty residential construction contractors.

Senate Bill 83 (Introduced February 4, 2025; first hearing in Senate Judiciary Committee on February 26, 2025.) This Bill would revise the law governing eviction, residential building code enforcement, and real property transfers.

Senate Bill 104 (Introduced February 14, 2025; third hearing in Senate Local Government Committee on March 12, 2025.) This Bill would limit the authority of local governments to regulate short-term rental properties, to extend local lodging taxes to short-term rentals, to require collection of those taxes by short-term rental platforms, and to require real estate licenses to be issued electronically.

Senate Bill 145 (Introduced March 12, 2025; referred to Senate Housing Committee on March 19, 2025.) This Bill would rename the Department of Development to the Department of Housing and Development and to otherwise modify the law related to housing.