

Ohio House Passes Its Version of State Budget

APRIL 27, 2023

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The Ohio House of Representatives this week overwhelmingly passed a bi-partisan version of the two-year state budget that features numerous changes from the one Governor DeWine introduced, most notably a \$1 billion income tax cut. According to a House summary of the changes, the House has proposed eliminating an income tax bracket by collapsing the current 3.226% bracket to the 2.765%. It also reduces the rate of the combined bracket to 2.75% for those making up to \$92,000.

In an attempt to further spur economic development, Amended Substitute House Bill 33 would:

- Provide an additional, automatic one-month extension for municipal income tax returns where a business entity has received a six-month federal extension. The current extended deadline for individuals and business entities is the same as the extended federal deadline.
- Require a business development company electing to be subject to SEC requirements to file a notice with the Division of Securities before conducting business in Ohio, and permit such a company, after filing the notice, to sell an indefinite number of securities in Ohio. (The same requirement applies to a business investment company under continuing law.)
- Allow state and federally chartered credit unions to participate in the Ohio Capital Access Program, which assists financial institutions in making loans to qualifying Ohio businesses. (Current law allows only banks, trust companies, and savings and loan associations to do so.)
- Decrease the Ohio Future Fund from \$2.5 billion to \$500 million to prepare sites for economic development with infrastructure improvements, wetland mitigation, etc.

This income tax cut has impacted other areas of the budget as well.

In the areas of **Health and Human Services**, the House version would increase the hourly Medicaid reimbursement rate for Direct Service Providers, including community behavioral health services, to an average of \$17 an hour in FY 24 and \$18 in FY25, compared to the \$16 called for in the Governor's proposal. Provider rate increases were also provided for ambulance transportation, assisted living, dental nursing facilities and vision.

Also in health care, the House version of the budget would:

- Eliminate the proposed \$1 billion deposit in the Health and Human Services Fund.
- Require the Department of Health to establish a doula registry and for Medicaid to create a program to cover doula services.
- Add to the Nursing Home Patients Bill of Rights the following:

- (1) The right not to be transferred or discharged to a location that cannot meet the health or safety needs of the resident.
 - (2) The right not to be transferred or discharged without adequate preparation in order to conduct a safe and orderly transfer or discharge.
 - (3) All other rights regarding transfers or discharges provided under federal law.
- Include \$40 million to provide one-time Healthy Aging Grants to local partners to foster improved quality of life for seniors with the policy goal of helping them remain in their homes and connected to their communities, delay entry into Medicaid, preserve their personal assets, and promote a healthy, independent, active lifestyle. As initially proposed, the program would give each county a base allotment of \$100,000. Additional payments would be distributed based on the county's percentage of residents who are 60 or older, and fall below the federal poverty line and are not on Medicaid. Funding could be used for nutrition services, transportation, or even minor home modifications like a railing or a handlebar in the shower.
 - Require up to \$7,000,000 in each fiscal year to be used to pay for the treatment of indigent mentally ill persons subject to court order in hospitals or inpatient units licensed by OhioMHAS.
 - Clarify that County Alcohol, Drug Addiction, and Mental Health Boards can contract with for-profit providers, and also requires the Boards to post on their website a listing of all Opioid Treatment Programs within their district.
 - Maintains \$1.5 million in funding for a new Mobile Medication Unit pilot to help expand access for opioid treatment in rural and underserved areas.
 - Establishes the Legacy Pain Management Study Committee to study, evaluate, and prepare a report on the care and treatment of patients suffering from chronic or debilitating pain. It requires the committee to consider several topics relating to these legacy patients, including the availability of and access to pain management specialists in Ohio and the challenges associated with tapering opioid doses.

The **Real Estate** sector also saw many changes in Amended Substitute House Bill 33. These include:

- Modify the prerequisites to take the real estate broker's exam as follows: (1) removes the requirement that the applicant worked an average of 30 hours per week during at least two of the five years preceding the application, and (2) requires that the applicant worked as a licensed real estate salesperson or broker for at least two of the five years preceding the application instead of any two years.
- Require a licensed real estate broker or salesperson to hold escrow funds, security deposits, and certain property management fees in special or trust accounts at a state or federally chartered institution located in Ohio (not just a depository in Ohio). Permits disciplinary action against a license holder for having been judged incompetent in any capacity (not just for the purpose of holding a real estate license).

- Require the Superintendent of Real Estate and Professional Licensing, if a real estate broker fails to pay a civil penalty that has been assessed for certain unlicensed or unregistered activity, to forward identifying information relating to the broker to the Attorney General.
- Require a landlord that designates an agent for the purpose of providing services to tenants under a rental agreement for residential property to disclose the name and address of the agent to each such tenant.
- Require the Real Estate Appraisal Recovery Fund, to be used to pay settlements, judgements, and court orders for violations of real estate appraiser laws. Appropriates additional amounts requested by the COM Director and approved by the OBM Director
- Increases the cap from \$100 million to \$500 million on nonrefundable credits against the income tax, insurance premiums tax, or financial institutions tax that piggybacks on the federal low-income housing tax credit (LIHTC) for affordable housing projects.

The Benesch [Government Relations](#) team was successful in obtaining numerous policy and earmark amendments for clients in the House version of the budget and will continue to engage with legislators throughout the budgeting process. The budget bill will now move on to the Ohio Senate for further consideration. For any inquiries relating to H.B. 33 or any other pending legislation, please contact:

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