



Ohio Library Council HB 33 - State Budget Analysis

Public Library Fund

Sections: 387.10,
387.20, 131.51

Description: Requires the Director of Budget and Management to credit 1.7% of the total General Revenue Fund (GRF) tax revenue during the preceding month to the Public Library Fund (Fund 7065) in each month during FY 2024 and FY 2025.

Amends codified law to increase the share of GRF tax revenue in the preceding month credited to the Public Library Fund (PLF, Fund 7065) from 1.66% to 1.7%.

The Legislative Service Commission (LSC) estimates this increases revenue to the PLF by \$1.8 million in FY24 and \$25 million in FY25. The final appropriations spreadsheet estimates a .35% increase in FY24 and a 4.95% increase in FY25.

Ohio Public Library Information Network (OPLIN)

Section: 325.20

Description: Requires that OPLIN technology funds be used for an information telecommunications network linking public libraries in the state.

Permits the OPLIN Board of Trustees to make decisions regarding the use of the appropriation.

Requires the OPLIN Board to research and assist or advise local libraries on emerging technologies and methods that may be effective means to control access to obscene and illegal materials. Requires the OPLIN Director to provide reports on such efforts within ten days on request by the Governor and leadership of the General Assembly.

Requires OPLIN, INFOhio, and OhioLINK to coordinate their purchases of electronic databases.

Requires the OBM Director to transfer \$3,689,788 cash in each FY from the PLF to the OPLIN Technology Fund.

Library for the Blind

Section: 325.20 **Description:** Requires that appropriations to the Library for the Blind Fund be used for the statewide Talking Book Program.

Requires the OBM Director to transfer \$1,274,194 cash in each FY from the PLF to the Library for the Blind Fund.

State Library Board

Section: 325.10 **Description:** Appropriates \$5,335,000 in each FY for the Operating Expenses of the State Library Board. LSC estimates this will result in a 2.47% increase in funding in FY 2024.

Appropriates \$314,000 in FY 2024 and FY 2025 for the Ohioana Library Association.

Appropriates \$494,000 in each FY for the Regional Library Systems.

Appropriates \$6,818,338 in each FY for Services for Libraries. LSC estimates this will result in a 15.67% increase in funding for FY 2024.

Appropriates \$8,000 in each FY for Services for State Agencies.

Ohioana Library Association

Section: 325.20 **Description:** Requires that Ohioana Library Association appropriations be used for the operating expenses of the Martha Kinney Cooper Ohioana Library Association.

Education Technology Resources - INFOhio

Section: 265.140 **Description:** Earmarks up to \$2,500,000 in each FY from the Education Technology Resources appropriation line item for the Union Catalog and INFOhio Network.

Ohio Governor's Imagination Library

Section: 423.10 **Description:** Earmarks \$8,000,000 in each FY from the Department of Children and Youth to the "Ohio Governor's Imagination Library" to support childhood literacy efforts in the state.

Income Tax Cut & Modifications to Personal Income Tax Structure

Section: 5747.02 **Description:** Makes the following personal income tax changes for TY
5747.025, 757.50 2023 and thereafter:

Reduces the number of tax brackets by consolidating the lowest bracket (2.765% for income between \$26,050 and \$46,100) with the second lowest bracket (3.226% for income between \$46,100 and \$100,000) and setting the rate at 2.75% beginning in TY23. In addition, the rate on the fourth bracket is reduced from 3.99% to 3.75% in TY23.

In TY24, reduces the number of brackets to two, by consolidating the top two brackets and reducing the rate for the combined bracket to 3.5%

Distributions to the LGF and PLF would each be reduced an estimated \$15 million in FY 2024 and \$16 million in FY 2025. Revenue retained by the GRF would be reduced about \$879 million and \$929 million in those years, respectively.

Joint Committee on Property Tax Review and Reform

Section: 757.60 **Description:** Creates the Joint Committee on Property Tax Review and Reform, requiring it to submit a report to the General Assembly by December 31, 2024 making recommendations on reforms to property tax law.

Authorizes the Joint Committee to hold hearings and make recommendations on pending legislation related to property taxation.

Requires five Senators and five Representatives to be appointed to the Joint Committee.

Expanded Sales Tax Holiday

Section: 131.44, **Description:** Creates an Expanded Sales Tax Holiday Fund to support
5739.01, 5739.02, an expanded sales tax holiday in August 2024.

5739.41, 510.10,
513.10, 516.10

Requires the Tax Commissioner, upon the conclusion of the sales tax holiday, to estimate the GRF's, the Local Government Fund's (LGF's), the Public Library Fund's (PLF's), and the Permissive Tax Distribution Fund's forgone sales tax receipts during the time of and immediately preceding

and following the sales tax holiday and certify the estimated amounts to the OBM Director.

Requires the OBM Director, upon receipt of the certification from the Tax Commissioner, to transfer from Fund 5AX1 an amount of cash equal to the certified amounts to the GRF, LGF, PLF, and Permissive Tax Distribution Fund, respectively. Provides that reimbursements paid to the GRF, LGF, PLF, and Permissive Tax Distribution Fund will be made in the same proportions as sales tax revenue is distributed for the same August in which the sales tax holiday is held.

Requires an expanded sales tax holiday to be held in place of continuing law's three-day "back-to-school" sales tax holiday if there is at least \$60 million of cash in Fund 5AX1. Requires the expanded sales tax holiday to be three days or more, and be held on and around the first full weekend in August (the same period as the three-day "back-to-school" sales tax holiday). Requires the GRF, LGF, PLF, and Permissive Tax Distribution Fund to be reimbursed for their sales tax revenue losses from an expanded sales tax holiday (no such reimbursements are provided under the "back-to-school" sales tax holiday).

Requires the Tax Commissioner and OBM Director to consult with the County Commissioners' Association of Ohio when determining the length of a sales tax holiday.

Requires the Tax Commissioner to provide notice of a sales tax holiday no later than the first day of June preceding the holiday. Specifies that the OBM Director must determine whether a sales tax holiday will be held in the following fiscal year, beginning in FY 2025, by September 1st each year.

Commercial Activity Tax

Section: 5751.02, 5751.01, 5751.03, 5751.04, 5751.05, 5751.051, 5751.06, 5751.08, 5751.091; 812.20

Description: Excludes, beginning in 2024, business with taxable gross receipts of \$3 million or less and, beginning in 2025 and thereafter, businesses with taxable gross receipts of \$6 million or less from the CAT.

Designates the \$3 million and \$6 million thresholds as "exclusion amounts," and excludes the exclusion amount from gross receipts subject to the 0.26% tax rate for taxpayers that remain subject to the tax.

Eliminates calendar year CAT filing, which was principally available for taxpayers with less than \$1 million in taxable gross receipts, who are now excluded from the CAT.

Reduces CAT receipts by about \$238 million in FY 2024 and \$460 million in FY 2025. Under the disposition of revenue codified in current law, the FY 2024 losses would be shared by the GRF (\$194 million), School District Tangible Property Tax Replacement Fund (Fund 7047, \$31 million), Local Government Tangible Property Tax Replacement Fund

(Fund 7081, \$5 million), Local Government Fund (LGF, \$3 million), Public Library Fund (PLF, \$3 million), and Revenue Enhancement Fund (Fund 2080, \$2 million). In FY 2025, the CAT revenue loss would be shared by the GRF (\$376 million), Fund 7047 (\$59 million), Fund 7081 (\$9 million), the LGF (\$6 million), the PLF (\$6 million), and Fund 2080 (\$3 million).

Competitive Bidding Thresholds

Section: 3375.41,
153.12, 307.86,
307.861, 308.13,
505.08, 505.37,
505.376, 511.01,
511.12, 515.01,
715.18, 731.141,
735.05, 737.03,
5549.21, 5555.61,
6119.10

Description: Increases the statutory competitive bidding thresholds for counties, townships, municipal corporations, libraries, fire and ambulance districts, regional airport authorities, and regional water and sewer districts to \$75,000, through calendar year 2024.

Increases the competitive bidding thresholds for these entities by three percent annually after calendar year 2024, as determined and published by the Director of Commerce.

Prohibits subdividing contracts or purchases in order to avoid competitive bidding requirements for local entities.

Increases the allowable difference between a public improvement project's estimate to the project's contract price from 10% to 20%.

Youth Online Parental Notification

Section: 1349.09

Description: Requires an online operator to obtain and verify parental or legal guardian consent from any consumer that is under the age of 16 and not emancipated.

Defines operator as any business, entity, or person that operates an online web site, service, or product that has users in this state and that allows those users to do all of the following with respect to that online web site, service, or product: (a) interact socially with other users, (b) construct a public or semipublic profile, (c) populate a list of other users with whom an individual shares or has the ability to share a social connection, and (d) create or post content viewable by others.

Provides AGO the exclusive authority to bring a civil action to enforce compliance with the new requirement and prohibits a private right of action for any violation.

Requires AGO to provide written notice to operators in substantial compliance before initiating an action. Provides a 90-day period for operators to cure any alleged violation by providing certain written documentation.

Specifies violators found by a court to be in violation are liable to the AGO for investigation and litigation cost.

Requires a court to impose a civil penalty of up to \$1,000 for each day the operator fails to comply with the new requirement. Increases the penalty to up to \$5,000 and up to \$10,000 for each day the violation continues past 60 days and 90 days, respectively. Requires any civil penalty assessed to be deposited into the Consumer Protection Fund (Fund 6310).

Specifies that these rights and remedies are in addition to any other rights or remedies that are provided by law.

Requires operators to provide the child's parent or legal guardian with a list of features for censoring or moderating content on the child's profile, and a link at which the list may be accessed at a later date.

Exempts operators that predominantly or exclusively offer cloud storage, cloud computing, broadband internet access, or a search engine.

Delays the effective date of the provisions described above until January 15, 2024.

Transfer of State K-12 Education Governance

Section: 3301.07,
3301.111, 3301.13,
3301.137, 3301.138,

Description: Renames the Department of Education (ODE) as the Department of Education and Workforce (DEW).

Creates the position of the Director of Education and Workforce, who is appointed by the Governor, with the advice and consent of the Senate, and is the head of DEW. Expressly permits the Director to exercise general supervision of DEW employees and appoint, fix the salary, and terminate the employment of such employees.

Establishes within DEW the Division of Primary and Secondary Education and the Division of Career-Technical Education, each of which is headed by a Deputy Director appointed by the Director with the advice and consent of the Senate.

Transfers most of the powers and duties of the State Board of Education (SBE) and the Superintendent of Public Instruction to DEW.

Retains the SBE's and state Superintendent's powers and duties regarding educator licensure, licensee disciplinary actions, school district territory transfers, and certain other areas.

Permits DEW and SBE to exchange information and documentation upon request so that they may perform their functions under state and federal law, including sharing proprietary or confidential information. Prohibits both from disclosing proprietary or confidential information they receive from each other. Requires both to adopt safeguards to prevent that disclosure.

Appointments to the State Library Board

Section: 3375.01 **Description:** Appointments to the State Library Board are now appointed by the Director of Education and Workforce and no longer by the State Board of Education.

Creation of the Department of Children and Youth

Section: 5180.01, 121.02, 121.03, 121.35, 121.37, 121.40, 3109.15-3109.17, 3109.179, 5101.34-5101.342, 5180.02, 131.10, 423.140, **Description:** Creates the Department of Children and Youth (DCY) on July 1, 2023, to serve as the state's primary children's services agency and establishes the position of DCY Director.

Requires DCY to facilitate and coordinate the delivery of children's services in Ohio.

Addresses the transfer of duties to DCY relating to children's services, including by doing the following:

- (1) Requiring specified Directors (DCY, ODJFS, ODE, ODH, DODD, ODM, OhioMHAS, and DEV), or their designees, to identify and develop a plan to transfer children's services duties, functions, programs, and staff to DCY by January 1, 2025.
- (2) Transferring to the new DCY 90 days after the bill's effective date responsibilities currently charged to ODJFS regarding the Ohio Family and Children First Cabinet Council, the Children's Trust Fund Board, and the Ohio Commission on Fatherhood.
- (3) Requiring the DCY Director to follow rule adoption procedures in the Administrative Procedure Act to adopt administrative rules, unless the law authorizing the rule specifies a different procedure.
- (4) Requiring the agencies transferring children's services duties to DCY to reduce the number of regulatory restrictions identified by the agencies in their rules related to children's services under prior law by the percentage required in continuing law before January 1, 2025, rather than June 30, 2025, as currently required.
- (5) Requiring, beginning when rules related to children's services are transferred to DCY on January 1, 2025, and ending June 30, 2025, DCY to comply with the continuing law regulatory restriction reduction requirements.
- (6) Requiring JCARR to include regulatory restrictions in rules transferred to or adopted by DCY, minus any reductions achieved by DCY, when calculating the maximum number of regulatory restrictions permitted in Ohio beginning July 1, 2025.

(7) Prohibiting the directors of agencies transferring children's services related rules to DCY from treating the transfer as a reduction in regulatory restrictions for purposes of satisfying the reduction requirements in continuing law.

Requires the OBM Director to make budget and accounting changes to implement the transfer of duties, functions, and programs to DCY, including renaming, transferring, creating, and consolidating funds. Allows the OBM Director to also cancel or establish encumbrances and transfer appropriations between impacted agencies as necessary. Appropriates any encumbrances.

Science of Reading

Section: 3313.6028, 3301.0714, 3317.25, 3333.048, 265.330 **Description:** Defines the "science of reading" in all of Title XXXIII of the Revised Code as an interdisciplinary body of scientific evidence that: (1) informs how students learn to read and write proficiently, (2) explains why some students have difficulty with reading and writing, (3) indicates that all students benefit from explicit and systematic instruction in phonemic awareness, phonics, vocabulary, fluency, comprehension, and writing to become effective readers, and (4) does not rely on any model of teaching students to read based on meaning, structure and syntax, and visual cues, including a three cueing approach.

Requires reading improvement and intervention and professional development initiatives within the Department of Education and Workforce and the Department of Higher Education to be aligned with science of reading and evidence-based strategies for effective literacy instruction.

Requires the Department of Education and Workforce to establish a list of high-quality core curriculum and instructional materials in English language arts, and a list of evidence-based reading intervention programs, that are aligned with the science of reading and strategies for effective literacy instruction.

Beginning not later than the 2024-2025 school year, each school district, community school established under Chapter 3314 of the Revised Code, and STEM school established under Chapter 3326, shall use core curriculum and instructional materials in English language arts and evidence-based reading intervention programs only from the lists established by the Department of Education and Workforce.

One Time Strategic Community Investments Fund

Section: 513.10, **Description:** Transfers \$700 million cash from the GRF to the One Time Strategic Community Investments Fund for future projects.