Property taxes, Browns stadium, marijuana money: What to know about Ohio House budget

The Ohio House passed a two-year budget plan that would revamp school funding and help pay for a new Cleveland Browns stadium

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Ohio would change how it pays for schools and help the <u>Cleveland Browns</u> build a new stadium under a budget plan approved Wednesday by the Ohio House.

The House voted 60-39 to pass its two-year budget proposal, which outlines how the state would spend money on services and to what extent taxpayers cover the cost. The House budget isn't the final version: The Senate will make changes, then lawmakers will hash out differences among each other and Gov. Mike DeWine.

DeWine must sign a balanced budget by June 30.

"This is a budget that increases funding for public schools, increases funding for higher education, increases funding for libraries, largest tax relief for property tax in Ohio's history," Rep. Brian Stewart, R-Ashville, said.

Here's what you need to know about the House plan.

Ohio House votes to provide \$600M in bonds for new Cleveland Browns stadium

Ohio would provide \$600 million in bonds to help the Browns build a domed stadium in Brook Park. Including interest, this would cost the state about \$1 billion over 30 years to repay. A last-minute change increased the Browns' initial deposit by \$11.5 million.

House Republicans say the Browns' plan will transform the local economy and make Ohio a top destination for football fans. But

Cleveland leaders and some state officials – including <u>Attorney</u> <u>General Dave Yost</u> – contend the move is illegal, too expensive and may not benefit the state as promised.

On Wednesday, Rep. Ron Ferguson, R-Wintersville, offered an amendment to prevent Ohio from offering loans for professional sports stadiums, but it failed by one vote.

DeWine floated a higher sports gambling tax to pay for <u>stadium</u> <u>projects</u>, but the House scrapped his proposal.

School funding and property taxes

The House budget spends \$231 million more on public schools for the next two years, but it <u>abandons the funding formula</u> that Republicans and Democrats approved in 2021. Critics say the plan doesn't keep up with inflation and amounts to a cut for school districts that expected millions more from the state.

It also would:

- Require counties to reduce homeowners' property taxes if a school district's reserves exceed 30% of its previous budget.
- Spend \$35 million to create savings accounts for students who attend non-chartered private schools, which don't accept vouchers "because of truly held religious beliefs," according to the Department of Education and Workforce.
- Increase the tax credit for home-school expenses from \$250 per family to \$250 per student.

Rep. Bride Rose Sweeney, D-Westlake, said the money belongs to the citizens.

"We shouldn't make such drastic decisions that could really implode the way that we are funding our schools and could very seriously lead to even further property taxes," she said.

Changes to Medicaid program

The House plan would cut Medicaid expansion coverage if the federal government's funding drops below 90%. It also limits Medicaid coverage for doula services to six counties with the highest infant mortality rates.

The budget prohibits the Department of Medicaid from spending money on diversity, equity and inclusion programs, with the exception of services for people with disabilities.

New plan to pay for public libraries

House lawmakers <u>increased funding</u> for public libraries after outcry over the cuts they initially proposed. But legislators are still spending \$90.8 million less than what DeWine pitched.

Lawmakers also changed how libraries are funded: Rather than getting a set percentage of state revenue, the Legislature would decide how much to spend every two years.

The budget would also require libraries to place materials related to sexual orientation or gender identity in adult sections.

What about marijuana revenue?

DeWine wants to increase taxes on <u>recreational marijuana</u> and divert the funding to jail construction, law enforcement training, suicide prevention and more.

The House kept the tax rate at 10% but changed how money would be spent: Municipalities with dispensaries would get 20% of the revenue for five years, and the rest would go into the state's general bank account. Lawmakers also want to give the Division of Cannabis Control \$10 million annually to partner with a statewide nonprofit on substance use prevention and education.

Current law directs revenue to local governments in perpetuity, in addition to funding for addiction services and a <u>now-defunct social</u> <u>equity program</u>.

House plan takes aim at transgender rights

The House budget would make it the official policy of Ohio to recognize only two sexes – something <u>President Donald Trump</u> did immediately upon taking office. It also:

• Prohibits Medicaid funding for mental health services that "promote or affirm social gender transition."

• Bans menstrual products in men's restrooms.

• Prohibits money for youth homelessness from being used on gender-affirming care.

What else is in the House budget?

The proposed budget also would:

- Eliminate DeWine's increase in cigarette taxes to fund a \$1,000 tax credit for Ohioans with young children.
- Abolish the Ohio Elections Commission and shift its authority to the secretary of state's office or county boards.
- Make county coroners an appointed position instead of elected.
- Increase pay for local elected officials.
- Require adults to provide photo identification to view porn and other material that is "obscene or harmful to juveniles" online.
- Make it a crime to create deepfake porn, which uses technology to make explicit images.
- Require state employees to work in the office starting Jan. 1.
- Provide a \$750 income deduction for donations to pregnancy resource centers, which aim to deter people from having an abortion.
- Ask the federal government for permission to exclude sugary drinks from the Supplemental Nutrition Assistance Program.
- Allow online fireworks sales.