



**Government Affairs Committee Agenda**  
**February 27, 2025**

**Welcome & Introductions**

**Luke Harms**, Director of Government Relations, Whirlpool Corporation, Committee Chair

**Public Policy Rundown/Staff Reports**

- Leadership
- Energy
- Environment
- Human Resources
- Safety and Workers' Compensation
- Taxation and Finance

**Ryan Augsburg**, OMA President  
**James Lee**, OMA Staff  
**Lindsey Short**, OMA Staff  
**Ann Aquillo**, OMA Advisor  
**John Seryak**, PE, RunnerStone LLC, OMA Energy Engineer  
**Kim Bojko**, Partner, Carpenter Lipps LLP, OMA Energy Counsel

**OMA Counsel's Report**

**Chris Slagle**, Bricker Graydon LLP, OMA General Counsel

**Special Guest Presentation**

**President Rob McColley**, Ohio Senate

**Special Guest Presentation**

**Director Kimberly Murnieks**, Ohio Office of Budget and Management

**Tariff Presentation**

**Edward (Ned) Hill**, Ph.D., The Ohio State University

**Discussion Agenda**

- Protecting competitive energy markets
- 2025 state operating budget
- New legislative leadership
- 2026 election and Ohio's shifting political landscape
- Trump administration tariffs

**2024 Government Affairs Committee Calendar**

**Meetings begin at 10 a.m.**

Thursday, February 27

Thursday, June 5

Tuesday, September 30

Thursday, December 4

**Our Meeting Sponsor:**



OMA Government Affairs Committee - Feb 2025

Name	Company	Location
Kevin Abke	Ohio CAT	Perrysburg, OH
Jeanette Renee Addington, MBA, CPA	Ludowici Roof Tile, Inc.	New Lexington, OH
Tom Andrews	Kobelco Stewart Bolling Inc	Hudson, OH
Ann K. Aquillo	Ann Aquillo Consulting LLC	Powell, OH
Mary Beth Arensberg, PhD, RD, LD,FADA	Abbott Nutrition	Columbus, OH
Lisa Kay Armstrong	Schaeffler Group USA	Wooster, OH
Ryan R. Augsburger	The Ohio Manufacturers' Association	Columbus, OH
Steve Austria	Sugar Creek Packing Company	Dayton, OH
Kevin Baird	PPG	Pittsburgh, PA
Jan Bans	AT&T Ohio	Columbus, OH
Bradley H. Belden	The Belden Brick Company	Canton, OH
Daniel Bencun	PPG Advanced Surface Technologies	New Albany, OH
Greg Bennett	Owens Corning	Granville, OH
Krista Bistline	Verizon	Lewis Center, OH
Allyson Blandford	Amgen USA	Fishers, IN
Clint Blume	Haviland Drainage Products Co.	Haviland, OH
Kimberly W. Bojko	Carpenter Lipps LLP	Columbus, OH
John Broderick	Magna International	Troy, MI
Angie Brunswick	Fort Recovery Industries, Inc.	Fort Recovery, OH
Stephen Buehrer	Carpenter Lipps LLP	Columbus, OH
Joe Clark	Prospira America	Upper Sandusky, OH
Kassie Cooper	Center To Advance Manufacturing - Bowling Green State University	Bowling Green, OH
Scott Corbitt	Anheuser-Busch Companies	Columbus, OH
Andrew P. Corsig	PhRMA	Cincinnati, OH
Ashley Davis	The Sherwin-Williams Company	Washington, DC
Kevin DeWine	Crown Equipment Corporation C/o CBD Advisors	Beavercreek Township, OH
Matthew DeWine	Foxconn	Warren, OH
Bobbi Dillon	The Procter & Gamble Company	Cincinnati, OH
Steve Dimon	AMG Vanadium LLC C/o 21 Consulting, LLC	Columbus, OH
Michael Dittoe	Ohio House of Representatives	Columbus, OH
Paul G. Dunlavey	P.V.P. Industries, Inc.	North Bloomfield, OH
Melissa Dykstra	Worthington Steel	Columbus, OH
Emily B. Elizer	PPG	Pittsburgh, PA
Tom Evans	The Ohio Manufacturers' Association	Columbus, OH
Jacqueline Filipovich	B & B Molded Products	Defiance, OH
Colin Fitzsimmons	Vistra	Irving, TX
Dale Foerster	Starr Manufacturing, Inc.	Vienna, OH
Scott Frens	Fort Recovery Industries Inc.	Fort Recovery, OH
Prince Ohilebo Garuba	Ohio Association of Goodwill Industries	Columbus, OH
Jennifer Gilliland	Identity Systems Inc	Columbus, OH
Cedric Gasper	Mechanical Rubber	Strongsville, OH
Rashad M. Gray	Mechanical Rubber	Strongsville, OH
Beth Hahn	The Ohio Manufacturers' Association	Columbus, OH
Ann Hankinson	Ludowici Roof Tile, Inc.	New Lexington, OH
Luke M. Harms	Whirlpool Corporation	Washington, DC
Margaret Hess	Ohio Association of Career Technical Superintendents	Morrow, OH
Adam Hewitt	P S C Crane & Rigging	Piqua, OH
Rodney Hildebrand	Covestro LLC	Washington, DC
Kevin A. Hoggatt	Intel Corporation	Columbus, OH
Lawrence D. Holmes	Fort Recovery Industries Inc..	Greenville, OH
Keith Horner	Apollo Career Center and Ohio Association of Career Technical Superintendents	Lima, OH
Nicole Hoyer	Miami University	Oxford, OH
Jerry Joyeux	Cenovus Energy	Dublin, OH

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Name	Company	Location
Reet Kamp	31 Inc.	Newcomerstown, OH
Katie Kelley	Akron Rubber Development Lab, Inc.	Barberton, OH
Colin Kerrigan	Illuminate USA	Pataskala, OH
Chris Koop	Energy Transfer, Sunoco LP	Pittsburgh, PA
Matt Koppitch	Bricker Graydon LLP	Columbus, OH
Crystal Langley	TOSOH SMD, Inc.	Grove City, OH
James Lee	The Ohio Manufacturers' Association	Columbus, OH
Jennifer Lehman	Campbell Soup Company	Camden, NJ
Jill Lifer	Johnson Bros.-West Salem, Inc.	West Salem, OH
Timothy Ling	Plaskolite	Columbus, OH
Jacob D. Madore	Whirlpool Corporation	Benton Harbor, MI
Kenneth D. Magyar	DT Midstream	Canonsburg, PA
Mark Patrick Mahoney	Columbus State Community College	Columbus, OH
Dave Mangas	Cuyahoga Valley Career Center	Brecksville, OH
Catherine Martin	Phillips Tube Group, Inc.	Middletown, OH
Vira Maruli	Liberty Casting Company, LLC	Delaware, OH
Brian Mayle	Brechbuhler Scales Inc.	Canton, OH
Nathan Mays	The Ohio Manufacturers' Association	Columbus, OH
Ross McGregor	Pentaflex Inc.	Springfield, OH
Scott Milburn	Scott Milburn LLC	Upper Arlington, OH
Nicholas Miller	The Ohio Manufacturers' Association	Columbus, OH
Clarence Mingo	T. Marzetti Company	Westerville, OH
Beth Morantes	Tyson Foods, Inc.	Springdale, AR
Ramola Musante	The Sherwin-Williams Company	Washington, DC
Tom R. Nelson	Yoder Lumber Company, Inc.	Millersburg, OH
Melville Nickerson	NRG Energy, Inc.	Chicago, IL
Jay O'Bryant	Vistra	Columbus, OH
Jeffrey J. Oravitz	Seal for Life Industries / Henkel	Cincinnati, OH
Todd Penney	Crown Equipment Corporation	New Bremen, OH
Angela R. Phillips	Phillips Tube Group, Inc.	Middletown, OH
Rick Platt	Heath-Newark-Licking County Port Authority	Heath, OH
Ryan Preas	MW Metals Group	Dayton, OH
Mike Purcell	GBQ Partners LLC	Columbus, OH
Jeff W. Reed	American Honda Motor Company	Marysville, OH
Michael Repetto	Foxconn	
Robert M. Robenalt, Esq.	Fisher & Phillips LLP	Columbus, OH
Mark Romanchuk	PR Machine Works, Inc.	Mansfield, OH
Brent Rosebrook	PRO-TEC Coating Company	Leipsic, OH
Dennis Rowbotham	GRT Utilicorp, Inc.	Wooster, OH
Jim Samuel	Capitol Integrity Group	Columbus, OH
Kaitlin Savage	Google LLC	Mountain View, CA
Brynnly Schwartz	Shell	Monaca, PA
Maximiliano Sepulveda	Ferrero U.S.A, Inc.	Washington, DC
Maxim Serezhin	Standard Power	New York, NY
John Seryak, PE	Runnerstone	Worthington, OH
Lindsey Short	The Ohio Manufacturers' Association	Columbus, OH
Teresa Simons	The Alliance for Working Together Foundation (AWT)	Mentor, OH
Christopher N. Slagle	Bricker Graydon LLP	Columbus, OH
Duane Steelman	Cleveland-Cliffs, Inc.	Cleveland, OH
Joe Stevens	Roetzel & Andress	Columbus, OH
TJ Struhs	Greif	Delaware, OH
Jeff Swan	Cleveland Steel Container Corporation	Hudson, OH
Will Telligman	The Sherwin-Williams Company	Washington, DC
Kendy A. Troiano	Clark Grave Vault Company	Columbus, OH
Megan E. Troyer	Working Partners	Millersburg, OH
Stella Tsirelis	Massillon Container Co	Navarre, OH
Jeffrey C. Turgeon	Zaclon, LLC	Cleveland, OH
Paul Vercher	U. S. Steel Corporation	Lorain, OH

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<b>Name</b>	<b>Company</b>	<b>Location</b>
Mary Voigt	The Ohio Manufacturers' Association	Columbus, OH
Todd Washam	Cenovus Energy	Dublin, OH
Raymond Wayne	Heritage Thermal Services	East Liverpool, OH
Michael Weber	Schaeffler Group USA	Washington, DC
Adam Weiser	Advanced Fiber Technology	Bucyrus, OH
Megan Williams	Julius Zorn, Inc.	Cuyahoga Falls, OH
Tina Wolff	Kokosing Industrial, Inc.	Westerville, OH
Lena Zodda	Graphic Packaging International, Inc.	Germantown, TN

Total Participants 119



## **Rob McColley Biography**

Senator Rob McColley was unanimously elected President of the Ohio Senate in January of 2025 and will preside over the Upper Chamber during the 136th General Assembly.

President McColley began serving in the Senate after being appointed in December 2017. He represents the 1st Senate District, which includes Defiance, Hancock, Hardin, Henry, Fulton, Paulding, Putnam, Van Wert, and Williams counties, as well as part of Logan County. He was elected by his Senate colleagues to serve as Senate Majority Floor Leader for the 135th General Assembly.

McColley graduated from Napoleon High School in 2003 and then went on to attend The Ohio State University, where he earned a Bachelor of Science in Business Administration with a major in Finance.

He then attended the University of Toledo College of Law and graduated with a Juris Doctorate in 2010.

Prior to being appointed to the Senate, he represented the 81<sup>st</sup> Ohio House District as a State Representative, where he also served in House leadership as Assistant Majority Whip. Before being elected State Representative, he served in the Community Improvement Corporation of Henry County, where he oversaw economic development efforts for the county and worked to improve local workforce development efforts between manufacturers and schools in Henry and Williams counties.

In addition, he is a former trustee of the Ohio Fallen Heroes Memorial in Sunbury, Ohio, which honors Ohio's men and women who have died in the war on terror. Other examples of his community involvement include formerly serving as a trustee of the Henry County Community Foundation, board member for the Henry County Board of Developmental Disabilities, a member of the OSU Alumni Club of Northwest Ohio, and a board member of the Center for Child and Family Advocacy.

Senator McColley lives in Napoleon with his wife, Denise, their daughter Anna, and their twin boys Matthew and Michael.



## **Kimberly Murnieks Biography**

Kimberly Murnieks was appointed Director of the Office of Budget and Management by Governor Mike DeWine on January 14, 2019. Serving as the Chief Financial Officer under the leadership of Governor DeWine, she oversees an office that develops, coordinates, and monitors the individual budgets of state agencies, provides the Governor and administration with policy analysis, and reviews all financial transactions made with public funds. Director Murnieks also serves as a member of the Executive Committee of the National Association of State Budget Officers, representing the Midwest Region.

Prior to OBM, Murnieks served as Chief Operating Officer for the Ohio Attorney General's Office and led the team responsible for providing operational support for the office, including Finance, Information Technology, and Human Resources. Prior to her time at the Attorney General's Office, Murnieks served as executive director with the Ohio Department of Education, overseeing the Center for School Options and Finance. In this role, she managed the school funding and fiscal support services related to traditional public, community, and private schools, and home-schooled children. She also held the position of Deputy Chief of Staff, managing many of the internal operations of the department. Murnieks began her career in public finance working for the Office of Budget and Management as a budget analyst.

Murnieks is a summa cum laude graduate of Marietta College with a Bachelor's in Political Science, a graduate of The Ohio State University's John Glenn School of Public Affairs with a Master of Public Administration, and is an American Mensa member.



## **Edward (Ned) Hill, Ph.D., Biography**

Ned Hill is Professor of Economic Development emeritus at Ohio State University's John Glenn College of Public Affairs. He retired from teaching in 2024. Ned is also a Senior Research Associate at the College of Engineering's Ohio Manufacturing Institute.

His current research focuses on the impact of digital manufacturing on corporate investment and workforce strategies. He also continues research on regional economic resilience, economic and community development, and economic development practice.

Ned was chair and then a member of the national advisory board of NIST's Manufacturing Extension Partnership (MEP) from 2007 to 2014. He was a member of the board of directors of MAGNET, Northeast Ohio's MEP affiliate, from 2009 to 2023. The Ohio Manufacturers Association presented him with its Legacy Award in 2005 and 2016 for his tax reform and electricity deregulation work. Ned was elected to the National Academy of Public Administration's 2020 class of Fellows.

Before coming to Ohio State in 2015, Hill was a faculty member at the Maxine Goodman Levin College of Urban Affairs at Cleveland State University for 30 years. He was Dean of the Levin College from 2007 until 2015. Ned earned his Ph.D. in Urban and Regional Planning and Economics from MIT in 1981.

## Ohio Public Policy Highlights February 2025

### Overview

Ohio's political landscape has undergone significant shifts in recent months, as the General Assembly moves swiftly on legislation amid the state's operating budget process. The legislature is off to a fast start under new leadership, with Speaker Matt Huffman and Senate President Rob McColley working in close alignment. Their strong relationship suggests that major legislation will advance quickly under a shared political agenda. This presents a challenge for Governor DeWine, who recently introduced his proposed state budget that is at odds with the priorities of legislative leaders. The heightened legislative activity is expected to continue through June, when the state budget will be finalized.

Meanwhile, Ohio's gubernatorial race has seen unexpected developments. Political outsider Vivek Ramaswamy has surged ahead of traditional GOP candidates in the polls after receiving an endorsement from President Trump this week. Additionally, Governor DeWine's surprising decision to name Ohio State football coach Jim Tressel as his lieutenant governor has fueled speculation that Tressel could emerge as another dark horse candidate to succeed DeWine, however, the recent Trump endorsement may put this speculation to rest. These changes are likely to have a profound impact on Ohio policy and political operations over the next two years.

Current priorities for the OMA include:

- Protecting competitive energy markets
- Promoting manufacturing friendly energy policy
- Championing operating budget priorities for 2025
- Advocating for the rollback of costly Biden-Harris regulations

The OMA's testimony supporting legislative reforms can be found in today's leadership materials.

### **New Statehouse Leadership: Matt Huffman Claims Speaker Gavel, McColley Succeeds as Senate President**

Ohio's 136th General Assembly has officially commenced with significant leadership changes, notably the election of Matt Huffman as Speaker of the House and Rob McColley as Senate President. Huffman made history by becoming the first individual to lead both legislative chambers, having previously served as Senate President. McColley, a Republican from Napoleon, was unanimously elected to preside over the Senate.

Speaker Huffman has outlined a legislative agenda focusing on property tax reform, adjustments to the state's marijuana laws following recent legalization, and a reevaluation of school funding to address disparities among districts. He has also restructured House committees, introducing new ones like Community Revitalization and Arts, Athletics, and Tourism, while consolidating others to enhance legislative efficiency.

Senate President McColley shares similar priorities, emphasizing property tax relief and energy independence initiatives, particularly through fracking. He aims to build upon policies enacted in recent years to accelerate Ohio's growth and make the state more attractive for residents and businesses.

The alignment between Huffman and McColley suggests a collaborative legislative session ahead, with both leaders committed to addressing key issues impacting Ohioans.

### **Ohio Legend Jim Tressel Replaces Husted as Lieutenant Governor**

After weeks of speculation about Jon Husted's vacant lieutenant governor seat, Governor Mike DeWine has officially named former Youngstown State University president and Ohio State football head coach Jim Tressel as Husted's successor. The OMA praised Tressel's nomination, citing his extensive experience in workforce development. His high profile in the state has fueled speculation that he may be considering a run for governor in 2026.

### **Budget Process Kicks Off With Introduction of DeWine's Budget**

Gov. Mike DeWine unveiled a \$61 billion state budget for 2026-2027, \$25 billion lower than the previous budget due to the absence of federal COVID relief funds, demonstrating a shift back to pre-pandemic budget restraints. DeWine's Plan highlights include:

- A new \$1,000 per child (6 and under) tax credit, funded by a \$1.50 per pack increase in tobacco taxes.
- Increasing subsidized childcare.
- Expanded school-based healthcare.
- \$100 million in funding to increase housing in rural areas.

To pay for new proposals, the governor is pushing for increased taxes on sports gambling (20% to 40%) and recreational cannabis (10% to 20%) to support stadium renovations and law enforcement initiatives. Republican lawmakers have pushed back on elements of the budget, particularly the sin tax increases, while advocating for further income and property tax cuts.

### **Energy**

The House and Senate have unveiled long-awaited energy reform legislation with the intent of providing increased power generation and improved affordability and reliability for Ohio's electric grid. The leaders of the two chambers have aligned in their approach of accomplishing significant energy policy change, addressing items that have been long debated, such as electric security plans. While concerns had surfaced that this legislative package would include some elements of re-regulation of energy generation, both the House and Senate legislation specify that electric distribution utilities cannot own generation or bid into wholesale markets using ratepayer funds.

The OMA has testified on both pieces of legislation as the committees have begun their evaluation of the bills, applauding the customer-friendly provisions while acknowledging the need for additional improvements. More details in the Energy report.

### **Proposed Tariff on Energy Intensive Customers**

Significant regulatory activity has occurred over the month of January at the Public Utilities Commission of Ohio. Hearings began on AEP Ohio's proposed tariff to penalize large electricity users, specifically data centers. The OMA Energy Group (OMAEG) has intervened in the case to oppose setting a discriminatory rate design precedent which seeks to single out a specific industry. During the hearings, OMAEG raised concerns about AEP Ohio's lack of proof of limitations to serve the customers and have warned of the potential for billions of dollars in additional and unneeded electricity costs that would be billed to Ohio's manufacturers and other customers.

The case, regarded as a bellwether for other states to follow, comes as data center development takes to the national stage. President-elect Trump recently announced billions in private investment in data centers last month, including in Ohio.

### **Workforce**

Several pieces of legislation that the OMA advocated for during the previous General Assembly were passed during the final month of the legislative session. House Bill 432, which was introduced to address the shortage of career technical instructors in the state, passed unanimously at the end of December and will soon become effective in March. House Bill 432 will create alternative licensure pathways for career tech instructors and better equip career technical planning districts to meet the growing needs of their services.

Additionally, Senate Bill 198, which will provide returning citizens with state ID cards and a copy of vocational training records and/or work records, was passed as well and will become effective in April.

This year, the Governor's budget plan currently contains investments into key workforce development programs like the Industry Sector Partnership grant and TechCred. In addition to funding opportunities, the proposal also seeks to address some policies impacting workforce development in Ohio. The budget currently would expand middle school career technical education opportunities to over 200 additional school districts by eliminating the current waiver that allows school districts to opt out of teaching career tech education in middle school. Other key funding opportunities and policy changes include:

- \$9.6 million per fiscal year to establish regional tech prep centers focused on increasing access to career technical education
- Requires high schools to weigh GPAs for Career-Technical Assurance Guides (CTAG) career tech courses as the same weight as AP courses
- Requires the Chancellor of Higher Education to establish alternative criteria based on Ohio's emerging workforce needs to identify qualified programs for which a student may receive a first-time Ohio Work Ready Grant

### **Ohio Manufacturing Talent Partnership**

The Auto & Advanced Mobility (A&AM) Workforce Strategy is now the Ohio Manufacturing Talent Partnership (OMTP). The new name reflects a broadened focus on the entire Ohio manufacturing sector. Details on the pivot and revamped initiatives will be forthcoming.

The OMA this quarter concluded its initial work on A&AM Super RAPIDS, with joint applications now submitted for all six Regional Hubs. The Ohio Department of Higher Education (ODHE) is reviewing the equipment projects totaling \$8.395 million – all of which would improve public university and Ohio Technical Center training programs targeting critically demanded occupations for regional manufacturers. The OMA, OMA-Endorsed Industry Sector Partnerships (ISPs), regional partners in education, workforce, and government all contributed to this novel, manufacturer-led initiative.

The OMA and ODHE also hosted a third roundtable – this time at Tolles Career & Technical Center in Central Ohio – to investigate solutions to manufacturing instructor shortages. The remaining three sessions are planned for Northwest, Southwest, and Southeast Ohio.

## **Tax Policy**

The Ohio General Assembly is moving quickly on the state budget process, which will encompass a variety of proposed tax reforms. Governor DeWine has proposed a \$61 billion budget, aiming to raise revenues through increased taxes on sports gambling and recreational cannabis, while the legislature is largely focused on income and property tax reductions. As budget debates unfold, the OMA will continue to monitor potential policy shifts that may impact industry costs and competitiveness.

## **National Association of Manufacturers Response to Trump Tariffs, Federal Tax Reforms**

The National Association of Manufacturers (NAM) released a statement expressing concern over executive orders imposing significant tariffs on imports from Canada, Mexico, and China, emphasizing the importance of maintaining strong North American supply chains to support U.S. manufacturing competitiveness. NAM President and CEO Jay Timmons highlighted that while addressing the crisis of illicit drugs is essential, the proposed 25% tariffs could severely disrupt supply chains and negatively impact small and medium-sized manufacturers, ultimately jeopardizing American jobs and economic growth.

On the other end of federal tax policy, the OMA joined the NAM as they kicked off a nationwide tour at the Ohio Statehouse celebrating the importance of the manufacturing industry and emphasizing the need for renewal of the 2017 Trump Tax reforms that have enhanced the industry's ability to remain competitive and create jobs. The NAM highlighted the need to maintain the 21% corporate rate, preserve the 20% pass-through deduction and protect the reduced individual rates.

## **Marijuana Reforms**

Following a year of political gridlock, changes in statehouse leadership have paved a path for the legislature to make reforms to the Issue 2 recreational marijuana laws. The Ohio Senate is advancing Senate Bill 56, a measure that would reduce THC potency limits, restrict home cultivation, prohibit sharing, and eliminate the voter-approved social equity program. It also includes stricter transport rules, advertising limitations, and employment-related penalties for cannabis users.

Despite the OMA's opposition to cannabis legalization due to workplace safety concerns, the Issue 2 statute includes strong employer protections for drug-free workplace policies. The OMA is collaborating with the legislature to uphold these provisions as reform bills progress through committee.

## **Trump To Roll Back March-In Rights: Assault on Manufacturers' Intellectual Property**

The OMA has made numerous public comments opposing the Biden Administration's proposed "March-In" rule by the National Institute of Standards and Technology, which seeks to empower the federal government to confiscate patents from manufacturers that make what the agency deems excessively priced products. This rule directly impacts manufacturers' intellectual property rights, posing a considerable threat to innovation in the United States, jeopardizing the nation's prominent position in the innovation economy.

In February of this year, the Trump administration has indicated it does not support using march-in rights under the Bayh-Dole Act to address high drug prices or prices of any manufactured goods. Robert F. Kennedy Jr., Secretary of Health and Human Services, stated in written statements in January that he opposes employing these rights for price control purposes.

### **Prompt Pay**

In the final days of last year's legislative session, The OMA led a coalition of business groups to oppose House Bill 203, the prompt pay act. The labor-supported bill would have set stringent payment terms in construction contracts and effectively eliminate an owner's right to contract negotiations by requiring all projects to be paid within 30 days. Additionally HB 203 would have imposed a penalizing 18% interest rate on payments not made within the state-mandated "prompt pay" period.

The OMA's advocacy efforts were successful in killing the bill, which received a strong last-minute effort by contractor unions to stealthily sneak the legislation through the Senate chamber. The OMA is thankful to the efforts from Allied business groups and pro-business legislators who made a valiant effort to halt the bill in its tracks. The bill is likely to re-emerge this session.

### **Right to Repair**

The OMA joined trade associations nationwide to oppose provisions in the National Defense Authorization Act that would require defense contractors to comply with right-to-repair policies by providing unlimited access to repair materials and information, compromising sensitive trade secrets. The provision would impose burdensome requirements, mandate pricing controls, and discourage companies from participating in the defense industrial base, all without clear benefits to national security. That letter can be found in today's leadership materials.

The OMA has historically opposed similar legislation at the state level including Senate Bill 73, which would impose similar requirements on the entire manufacturing sector. New efforts to push similar policies are likely to return to the statehouse in this legislative session.

### **Minimum Wage Misses Ballot 2024, Will Return in 2025**

The organizers of the 2024 Ohio minimum wage ballot initiative failed to meet the signature requirements to get the proposal on the November ballot. Despite falling short, Raise the Wage Ohio has stated that they plan to continue gathering signatures with the aim of placing the \$15 minimum wage measure on the 2025 ballot. The OMA will continue to monitor the effort and weigh options for engagement.

### **OSHA Walk Around Rule**

In April, OSHA finalized its proposed walkaround rule that will allow third-party non-employees, including union representatives and community activists, to accompany OSHA inspectors during routine inspections.

The OMA submitted comments opposing the rule, which garnered national recognition. The rule's implementation will compromise workplace safety by allowing union officials and other non-expert third-parties to enter non-unionized facilities without the employer's consent, disrupting operations and exposing trade secrets. The OMA's comments underscore the potential risks and adverse impacts on workplace safety and confidentiality if the proposed rule were to be enacted.

The OMA actively involved our members in direct engagement with Ohio's congressional delegation, with nearly 200 OMA member companies endorsing a letter from OMA President Ryan Augsburger urging federal representatives to use their congressional authority to strike the rule. The National Association of Manufacturers have challenged the rule in federal court. Reports are predicting that the Trump Administration will likely rescind the rule.

## **Economic Development**

- **JobsOhio Receives 15 year Extension:** After months of delay resulting from political posturing, the state legislature approved a 15-year extension of JobsOhio's control over the state's liquor enterprise, recognizing its vital role in driving manufacturing growth. The OMA supported the move, emphasizing JobsOhio's success in attracting major manufacturing investments through critical tax and financial incentives, workforce training, and site development. The OMA's letter of support for the extension can be found in today's materials.
- **Anduril Chooses Ohio:** Ohio's manufacturing industry continues to grow following the news that defense contractor Anduril secured \$452 million in state tax credits over 30 years in exchange for maintaining operations for 33 years and creating 4,000+ jobs by 2035. The company plans to invest \$900 million in its new "Arsenal-1" complex near Rickenbacker International Airport, producing drones, missiles, and autonomous weapons. The facility, expected to open in 2035, will employ 4,008 workers with an average salary of \$132,000. The company's operations will ignite significant downstream growth for Ohio's manufacturing suppliers to support new economic activity.

## **Manufacturing Technology Assistance Program**

The OMA is working with Representatives Santucci and Demetriou to reintroduce House Bill 435, which creates The Ohio Manufacturing Technologies Assistance Program (MTAP). MTAP aims to assist small to mid-size manufacturers by providing grants of up to \$150,000 for investing in modern smart technologies, machinery, equipment, and training. MTAP is designed to enhance productivity, efficiency, and competitiveness in Ohio's manufacturing industry. The program requires applicants to undergo a technical assessment and be in good standing with the state. Ohio's Manufacturing Extension Partnerships will be leading the assessment process for new technologies. MTAP aligns with nationwide Manufacturing 4.0 initiatives, supporting manufacturers to adopt automation, cybersecurity, robotics, and other innovative technologies, following successful models from states like Iowa and Indiana, initially funded with \$12,000,000 from the Ohio Department of Development. Ultimately, MTAP aims to empower businesses, drive growth, and ensure the resilience and success of Ohio's manufacturing sector in an evolving business landscape.

In June, OMA members testified before the Ohio House Finance Committee to support the bill. The OMA delegation included: Ethan Karp from MAGNET, John Holeman from TOSOH SMD, and Dale Foerster from Starr Manufacturing. That testimony can be found in today's meeting materials along with a draft letter of support to be sent to the Governor and members of the General Assembly. Let James Lee know if you would like to sign on or testify before members of the House committee in support.

## **Trump to Rollback Biden-Harris Environmental Regulations**

The recent election of Donald Trump is likely to provide regulatory relief to manufacturers following years of unprecedented volumes of onerous and costly regulations being implemented by President Biden's EPA.

The Biden-Harris administration pursued an aggressive environmental regulatory agenda, creating significant challenges for manufacturers. The OMA has actively opposed the U.S. EPA's regulatory initiatives, which have driven up business costs by \$350 billion over the past four years and resulted in a 25% increase in total regulations—surpassing even the ambitious regulatory agenda of President Obama's eight years in office.

President-elect Donald Trump has nominated former New York Congressman Lee Zeldin to head the U.S. Environmental Protection Agency (EPA). Known for opposing climate-related legislation during his tenure, Zeldin has pledged to prioritize deregulation while maintaining basic environmental safeguards. Trump emphasized that Zeldin's leadership would foster U.S. energy dominance and economic growth.

Trump is likely to roll back the Biden administration's strict national PFAS drinking water standards that were finalized last spring. In January, the president signed executive orders to halt pending PFAS regulations targeting manufacturers that were leftover from the Biden Administration. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

### **Jon Husted Sworn in as U.S. Senator for Ohio, Replacing JD Vance**

After a period of speculation, Governor Mike DeWine appointed Lieutenant Governor Jon Husted to the U.S. Senate seat vacated by JD Vance, who assumed the vice presidency. Husted was sworn in on January 21, 2025, with Vice President Vance administering the oath in a ceremony attended by Husted's family, Governor DeWine, and Senator Bernie Moreno. With extensive experience serving as Ohio's lieutenant governor, secretary of state, and House speaker, Husted aims to focus on technology and workforce development in the Senate.

### **Trump Endorses Vivek Ramaswamy, Upending Ohio's 2026 Gubernatorial Landscape**

Ohio's political landscape has been shaken by recent developments in the 2026 gubernatorial race following Governor Mike DeWine's decision to appoint Lieutenant Governor Jon Husted to JD Vance's vacant Senate seat. In the wake of this move, two dark horse candidates have emerged as clear front-runners, likely sidelining traditional GOP contenders who had been positioning themselves for years.

The race is intensifying as biotech entrepreneur Vivek Ramaswamy and former Ohio State football coach Jim Tressel gain momentum. Ramaswamy, known for his anti-woke investment initiatives and brief 2024 presidential bid, is set to launch his campaign this week in Cincinnati and Columbus. In a major development, President Trump announced his endorsement for Vivek on the same day of his announcement — a pivotal advantage given Trump's history of propelling candidates to victory in Ohio's Republican primaries. This endorsement could solidify Ramaswamy as the GOP frontrunner.

Meanwhile, Tressel, recently appointed as Lieutenant Governor after Husted's departure, is drawing significant political attention despite having no prior electoral experience. While Tressel has not officially announced a campaign, social media reports have surfaced about a website backing the national championship-winning coach's candidacy, fueling speculation about his potential run. However, Trump's early decision to endorse Vivek was likely a strategic move to quell the potential for Tressel to enter the race.

Ohio Attorney General Dave Yost, once considered a strong contender, now faces an uphill battle against the surging popularity of Ramaswamy and Tressel. Meanwhile, State Treasurer Robert Sprague has dropped out of the governor's race to pursue a bid for Secretary of State.

With Trump's endorsement in play, Ramaswamy's chances have skyrocketed, setting the stage for one of the most dynamic and closely watched gubernatorial races in Ohio's history.

**Leadership News**

[Click here for Leadership Community articles from previous Leadership Briefings](#)

## Miscellaneous Legislation of Interest to Manufacturers

Prepared by: The Ohio Manufacturers' Association  
Report created on February 25, 2025

- HB2 ESTABLISH CHILD CARE CRED PROGRAM (JOHNSON M)** To establish the Child Care Cred Program and to make an appropriation.  
*Current Status:* 2/4/2025 - House Children and Human Services, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-2>
- HB41 ESTABLISH CHILD CARE GRANT PROGRAMS (WHITE A, ROEMER B)** To establish certain child care grant programs, including those related to child care capacity and learning labs, and to make an appropriation.  
*Current Status:* 2/12/2025 - House Children and Human Services, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-41>
- HB96 OPERATING BUDGET (STEWART B)** To make operating appropriations for the biennium beginning July 1, 2025, and ending June 30, 2027, to levy taxes, and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 2/27/2025 - House Children and Human Services, (Sixth Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-96>
- HB98 ESTABLISH COMMUNITY CONNECTORS WORKFORCE PROGRAM (SANTUCCI N, WILLIAMS J)** To establish the Community Connectors Workforce Program and to make an appropriation.  
*Current Status:* 2/12/2025 - Introduced  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-98>
- SB10 REVISE NON-RECOURSE LITIGATION FUNDING AGREEMENTS (WILSON S, LANG G)** To revise and supplement state regulations concerning non-recourse litigation funding agreements.  
*Current Status:* 2/26/2025 - Senate Judiciary, (Second Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-10>
- SB32 ESTABLISH CHILD CARE CRED PROGRAM (REYNOLDS M, SCHAFFER T)** To establish the Child Care Cred Program and to make an appropriation.  
*Current Status:* 2/18/2025 - Senate Finance, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-32>
- SB38 DETERMINE LIABILITY-INJURY FROM FOOD (DEMORA B)** To provide for a reasonable expectation test in determining liability for injury caused by consumption of food containing a substance injurious to health and for the jury to make that determination.  
*Current Status:* 2/12/2025 - Senate Judiciary, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-38>



# OMA POLICY COMMITTEES ADVANCE OHIO MANUFACTURING

OMA policy committee meetings provide opportunities for you to work with colleagues, subject matter experts, policymakers, and government agency staff to gain critical updates and to set policy priorities for Ohio manufacturing.

OMA has six standing policy committees: **Energy, Environment, Government Affairs, Safety and Workers' Compensation, Tax and Finance, and Workforce.** Committees are chaired by OMA manufacturing members.

## Join Management Communities that Support Your Work

To make sure you receive committee meeting notices and materials in your inbox, go to [My OMA](#) to subscribe to the management communities that interest you.

## 2025 OMA Policy Committee Meeting Calendar *(click dates to register)*

Energy	Environment	Government Affairs	Safety & Workers' Compensation	Tax & Finance	Workforce
<a href="#">Thurs., Mar. 13</a>	<a href="#">Thurs., Apr. 10</a>	<a href="#">Thurs., Feb. 27</a>	<a href="#">Weds., Apr. 2</a>	<a href="#">Thurs., Feb. 20</a>	<a href="#">Thurs., May 15</a>
<a href="#">Thurs., May 22</a>	<a href="#">Weds., Jul. 16</a>	<a href="#">Thurs., Jun. 5</a>	<a href="#">Thurs., Jun. 12</a>	<a href="#">Thurs., Jun. 26</a>	<a href="#">Thurs., Sept 25</a>
Thurs., Sept. 18 Ohio Manufacturers' Energy Conference (Details TBA)	<a href="#">Thurs., Dec. 11</a>	<a href="#">Tues., Sept. 30</a> Weds., Oct. 1 Ohio Manufacturers' Leadership Forum (Details TBA)	<a href="#">Weds., Oct. 15</a>	<a href="#">Weds., Sept. 10</a>	
<a href="#">Thurs., Nov. 20</a>		<a href="#">Thurs., Dec. 4</a>			

## Register for Meetings

Click the dates above or [visit this web page](#). You can also call us at **(800) 662-4463** or email us at [oma@ohiomfg.com](mailto:oma@ohiomfg.com).

## Attend In Person or Virtually

You have the choice to attend in person or virtually via Zoom. In person committee meetings are typically held at the OMA offices, followed by a complimentary networking lunch. Once you register, we will email you the details you need to attend the meeting and add the meeting to your calendar.

Even if you register for in-person attendance, we will send you a unique Zoom login link.

If you decide to switch your registration from in person to Zoom – or Zoom to in person – kindly let us know by calling **(800) 662-4463** or emailing [oma@ohiomfg.com](mailto:oma@ohiomfg.com).

## More Information?

Certainly! Call us at **(800) 662-4463** or email us at [oma@ohiomfg.com](mailto:oma@ohiomfg.com).

## Our Office

The Ohio Manufacturers' Association  
33 N. High St., 6th floor  
Columbus, Ohio 43215

## For Manufacturers and Energy Professionals

If this e-mail does not display properly, [click here](#) to view our online version.

To ensure continued delivery of this e-mail, please add OMA@informz.net to your e-mail address book.

**SAVE THE DATE**

*The Ohio Manufacturers' Association presents*

**2025 OHIO MANUFACTURERS' ENERGY CONFERENCE**

A forum for manufacturers and energy professionals

**Thursday, September 18, 2025**  
INQUIRE ABOUT SPONSORSHIP!

**The Ohio Manufacturers' ASSOCIATION**

**Quest Conference Center**  
Westerville, Ohio

Conference Registration for Members \$150 • Welcome Reception Wednesday, September 17

**February 24, 2025**

Dear Lindsey,

Save the date! Plans are underway for the **2025 Ohio Manufacturers' Energy Conference**, which will be held **Thursday, September 18**, at the [Quest Conference Center](#), Westerville.

Because managing energy is critical to manufacturers, you can anticipate content covering:

- Energy management strategies, including microgrids, on-site generation, and energy efficiency
- Electricity market updates and cost-control advice
- Ohio energy policy and regulatory updates
- The facts on Ohio's electric transmission system
- New manufacturing and data center load in Ohio
- Lessons learned from peer manufacturers
- And more – including a full day of networking and learning to strengthen your company's competitiveness

**Complete details and registration will be available in the coming months. This is Ohio's most comprehensive energy event for manufacturers -- you'll want to be a part of it!**

Sincerely,

**Lindsey Short**

Managing Director

Energy and Advocacy Services

[lshort@ohiomfg.com](mailto:lshort@ohiomfg.com)

(614) 629-6814

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Interested in sponsor opportunities? Email [Nick Miller](#), Managing Director, Member Services and Policy Engagement, or call him at **(614) 629-6816**.

The Ohio Manufacturers' Association  
33 North High Street | Columbus, OH 43215

If you have consented to receive OMA emails, you may withdraw it. Please [click here](#) to unsubscribe from all OMA emails, or write us at the above address.

To update your OMA profile and email preferences, please [click here](#).





## Press Releases

# Manufacturers on Executive Orders to Impose Tariffs

February 1, 2025 8:35pm     

**Washington, D.C.** – National Association of Manufacturers President and CEO Jay Timmons released the following statement on the executive orders imposing significant tariffs on imports from Canada, Mexico and China.

“Manufacturers understand the need to deal with any sort of crisis that involves illicit drugs crossing our border, and we hope the three countries can come together quickly to confront this challenge.

“At the same time, protecting manufacturing gains that have come from our strong North American partnership is vital. The success of President Trump’s landmark trade agreement, the United States-Mexico-Canada Agreement, has strengthened North American supply chains and bolstered economic power across the region, boosting jobs, wages and investments here in the United States.

“Thanks to this agreement, one-third of critical U.S. manufacturing inputs now come from Canada or Mexico, rather than from competitors like China that often engage in unfair trade practices.

“However, with essential tax reforms left on the cutting room floor by the last Congress and the Biden administration, manufacturers are already facing mounting cost pressures. A 25% tariff on Canada and Mexico threatens to upend the very supply chains that have made U.S. manufacturing more competitive globally. The ripple effects will be severe, particularly for small and medium-sized manufacturers that lack the flexibility and capital to rapidly find alternative suppliers or absorb skyrocketing energy costs. These businesses—employing millions of American workers—will face significant disruptions. Ultimately, manufacturers will bear the brunt of these tariffs, undermining our ability to sell our products at a competitive price and putting American jobs at risk.

“We stand ready to work with President Trump to ensure a trade strategy that reinforces American strength—holding bad actors accountable while preserving the gains of the successful USMCA and advancing policies that sustain manufacturing growth here at home.”

**-NAM-**

*The National Association of Manufacturers is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs nearly 13 million men and women, contributes \$2.93 trillion to the U.S. economy annually and accounts for 53% of private-sector research and development. The NAM is the powerful voice of the manufacturing community and the leading advocate*



February 5, 2025

Ohio Office of Budget and Management  
30 E Broad St  
34<sup>th</sup> Floor  
Columbus Ohio 43215

**Re: Manufacturers' Support 15 Year Extension for JobsOhio**

Dear Members of the Ohio Controlling Board,

On behalf of the Ohio Manufacturers' Association (OMA) and our nearly 1,300 member companies, we write in support of the 15-year extension of JobsOhio's current franchise of the State's spirituous liquor enterprise. The OMA's sole mission is to protect and grow Ohio's manufacturing sector, and JobsOhio has been vitally important in achieving that goal by driving strategic investments that strengthen the state's industrial base and workforce.

Since its inception, JobsOhio has positioned Ohio as a leader in economic development, consistently landing Ohio as one of the top ranked states for new projects and job creation. Its unique funding model—supported by liquor enterprise revenues rather than public funds—has allowed it to be agile, proactive, and highly competitive in securing major investments. This approach has been instrumental in bringing high-impact manufacturing jobs to Ohio.

Manufacturing is the largest contributor to Ohio's GDP, supporting nearly 700,000 jobs and driving more than \$130 billion in annual economic output. JobsOhio plays a crucial role in ensuring manufacturers can thrive by providing site development funding, workforce training support, and strategic incentives that help Ohio compete for large-scale projects. With economic development costs rising due to inflation and higher capital expenses, extending JobsOhio's franchise through 2053 will provide the long-term financial stability needed to continue this work.

Now is the time to act. Ohio is competing for 10 additional megaprojects, and recently enacted legislation allows JobsOhio to enter into 30-year agreements—meaning businesses need certainty that JobsOhio will remain a reliable partner for the long haul. Extending the lease now will send a strong signal that Ohio is committed to fostering an environment where manufacturers can invest, expand, and create jobs.

We urge the Controlling Board to approve this extension and protect the critical role JobsOhio plays in advancing Ohio's manufacturing strength and economic future. Thank you for your consideration.

Sincerely,

James Lee  
Managing Director, Public Policy Services



**December 16, 2024**

Contact: Tom Evans Director, Communications and Marketing  
(614) 557-0937  
tevens@ohiomfg.com

***For Immediate Release***

## **OMA Applauds Historic Manufacturing Investment in Ohio**

COLUMBUS – Today, OMA President Ryan Augsburger celebrated the announcement that Anduril Industries will be investing more than \$900 million in Central Ohio for a 5 million square foot unmanned aerial systems (UAS) manufacturing facility. The project is projected to create 4,000 jobs.

“The announcement today continues to serve as a reminder that Ohio is the heart of American manufacturing,” Augsburger said. “This investment will have a resounding impact on Ohio’s economy, not just in job creation, but across the manufacturing supply chain.”

Anduril is an American defense technology company specializing in autonomous systems, including UAS & counter-UAS (CUAS), semi-portable autonomous surveillance systems, and networked command and control software.

###

*The Ohio Manufacturers' Association is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$133 billion annually to the economy. Visit [ohiomfg.com](http://ohiomfg.com), or follow us on LinkedIn, X/Twitter, Facebook, and YouTube.*



[Opinion](#)

# Public nuisance laws have no place in product liability determinations: Lindsey Short and Tiger Joyce

Published: Jan. 29, 2025, 5:29 a.m.

By [Guest Columnist, cleveland.com](#)

A Dec. 10, 2024, Ohio Supreme Court decision marks a significant victory for a balanced civil justice system and common sense. The Court hit the brakes on lawsuit abuse when it ruled that Ohio’s product liability law doesn’t allow for public nuisance claims to address the opioid crisis.

The court’s [Trumbull County v. Purdue Pharma decision](#) overturns a verdict awarding \$650 million to Trumbull and Lake counties in an opioid-related lawsuit. While the opioid epidemic undoubtedly is a serious public health issue that deserves our full attention, attempting to use public nuisance law to address it is like trying to fit a square peg in a round hole.

Public nuisance is a legal argument originally intended to address issues involving land use and public spaces. However, profit-motivated trial lawyers have pushed to expand this concept far beyond its original scope, finding success in certain jurisdictions.

In Ohio, they claimed pharmacies failed to monitor suspicious prescriptions for opioids, which could cause harm and, thus, be considered a public nuisance. In recent years, trial lawyers have attempted to apply public nuisance to various industries and issues beyond pharmaceuticals, including “forever” chemicals like PFAS, vaping, and even climate change, creating a legal free-for-all ultimately benefiting only themselves.

The Ohio Supreme Court’s decision is a much-needed course correction. It recognizes that our civil justice system exists to resolve disputes, not to perform the functions of legislators and regulators. The opioid crisis, like other broad public policy challenges, should be addressed by those entrusted with such responsibilities: our elected officials, law enforcement, and public health experts.

As pointed out in the American Tort Reform Association’s coalition [amicus brief](#) filed in this case, such an expansion would take advantage of the Ohio public nuisance law’s vagueness and apply it to product-related costs, often long after they were produced and sold.

This decision in Ohio, coupled with recent favorable rulings in other states, gives us hope that the tide may turn against the misuse of public nuisance law. In New York, for instance, a judge recently

dismissed a lawsuit against PepsiCo claiming the company contributed to plastic pollution in the Buffalo River, a strong rebuke of the state attorney general's decision to pursue this liability theory.

Similar to the case raised in Ohio, [West Virginia's high court is set to address](#) whether current state law allows for the expansion of public nuisance claims tied to opioids. This follows the Fourth Circuit asking the state legislature to weigh in on its own specific opioid-related case early last year. Our organizations will pay close attention to this decision in the days ahead.

These victories are crucial steps toward ensuring our legal system serves its original intent: providing justice — not enriching trial lawyers at the expense of businesses and consumers. They also send a clear message that complex public health issues require comprehensive legislative and regulatory solutions, not piecemeal litigation.

As we continue grappling with the effects of the opioid crisis and other public concerns, it's critical that we rely on elected officials and public health experts to lead the way. These individuals — unlike profit-seeking trial lawyers — are accountable to the public and are tasked with developing comprehensive, effective solutions in everyone's best interest.

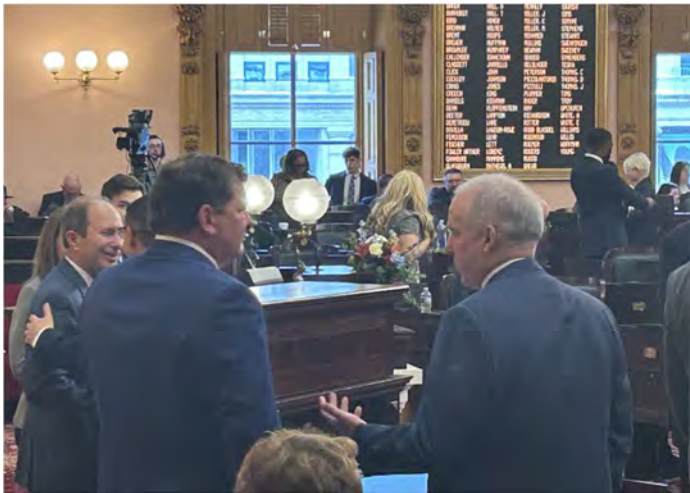
The Ohio Supreme Court's decision is a win not just for legal reform, but for all Ohioans. It helps ensure that our courts remain focused on their proper role, while encouraging elected leaders to tackle big issues head-on. As we move forward, let's continue to support such decisions and reforms that promote fairness, clarity, and effectiveness in our legal system.

*Lindsey Short is chair of the Ohio Alliance for Civil Justice and Tiger Joyce is president of the American Tort Reform Association in Washington, D.C.*

# No surprises as Ohio lawmakers start a new session and new House speaker makes history

The Statehouse News Bureau | By [Jo Ingles](#),  
[Sarah Donaldson](#)

Published January 6, 2025 at 8:28 PM EST



*Jo Ingles*

*Statehouse News Bureau*

Former Speaker Jason Stephens (R-Kitts Hill) and newly elected Speaker Matt Huffman (R-Lima) talk to one another before the 136th Ohio General Assembly Swearing-in ceremony in the House on Jan. 6, 2025.

With some southern Ohio counties accumulating as much as 10 inches of snow Sunday into Monday, new and returning Ohio lawmakers trudged through winter weather for the first day of the 136th General Assembly.

The Ohio Revised Code requires that lawmakers hold session the first Monday of every odd-numbered year. Most members made it to Columbus unscathed, but longtime Rep. Jean Schmidt (R-Loveland) was set to swear in from John Glenn International, following a string of flight delays.

There are six freshman members in the Senate and 27 among the 99 members of the House. Of the 33 senators, six are new to that chamber -

three Republicans and three Democrats. But the three minority members were all in the House last session.

There weren't any surprises when it came to election leadership for the House of Representatives, as Matt Huffman (R-Lima) became the first speaker who came directly into that leadership position on the heels of being the president of the Senate.

### **Leadership elections go smoothly**

Huffman, who'd been unanimously voted speaker-elect by the Ohio House Republican caucus in November, got the votes of all House Republicans and Democrats. Representatives in the chamber stood and applauded Huffman after the historic vote.

There was no hint of a controversy like the one that started the 135th General Assembly two years ago. Republicans were expected to elect Rep. Derek Merrin (R-Monclova Twp.) speaker after he'd been voted leader of the House GOP caucus in November. But in the weeks between that one and the House floor vote, Rep. Jason Stephens (R-Kitts Hill) enlisted help from 22 Republicans and all Democrats to become leader of that chamber instead. That vote set off a struggle among Republicans, with the state party censuring the 22 GOP lawmakers who voted for Stephens and with a lawsuit filed over who controlled the caucus' campaign account.

Huffman expanded the House leadership team from six members to nine. Speaker pro tem is Gayle Manning (R-North Ridgeville), with Phil Plummer (R-Dayton) as assistant speaker pro tem. Marilyn John (R-Richland County) is majority floor leader, with Adam Bird (R-New Richmond) as assistant majority floor leader. There are four majority whips: Steve Demetriou (R-Bainbridge Twp.), Riordan McClain (R-Upper Sandusky), Nick Santucci (R-Howland Twp.) and Josh Williams (R-Sylvania)

Just before Huffman's election in the House, the Senate met to formally select their leadership teams. Majority Floor Leader Rob McColley (R-Napoleon) was voted president, with Bill Reineke (R-Tiffin) as president pro tem, Theresa Gavarone (R-Bowling Green) as majority floor leader and George Lang (R-West Chester) as majority whip.

### **First order of business**

Huffman said his priorities will be to deal with property tax reform and putting together solid budgets without the help of a lot of federal funds that have been available in recent years.

"The governor said to me, by the way, Santa Claus is not coming back. We don't have some dollars in capital budget. We don't get some of the things that the federal government paid out. So this would be certainly a different year," Huffman said.

Huffman said he hopes to resolve issues with the marijuana law voters approved in 2023 and Gov. Mike DeWine's concerns about Delta-8, also called intoxicating hemp. Huffman said the state needs to reconsider school funding since some districts are parsimonious while others are carrying over 150% to 200% of their annual spending.

"They're not all spending the same. They are not acting the same was in how they spend," Huffman said.

Huffman also said there will also be discussions about energy and problems that keep development from happening more quickly.

The House leadership team is headed by Minority Leader Allison Russo (D-Upper Arlington), who held that position in the last session. Dontavius Jarrells (D-Columbus) is once again assistant minority leader, with Dani Isaacsohn (D-Cincinnati) as minority whip and Michele Grim (D-Toledo) as assistant minority whip.

"You will see us centering our work around economic issues, particularly lowering cost for families here in the state of Ohio," Russo said.

In the Senate, Nickie Antonio (D-Lakewood) was re-elected minority leader. Assistant minority leader is Hearcel Craig (D-Columbus), with Kent Smith (D-Euclid) as minority whip and Beth Liston (D-Dublin), who was in the House last session, as assistant minority whip.

Huffman is the first person to serve as leader of both the House and Senate in more than a century. He evoked a bit of history of his own upon taking office. He was sworn in by Judge Alice Batchelder, widow of former Speaker Bill Batchelder. Huffman said he plans to use the wooden gavel that was given to him by Batchelder more than a decade ago.

# Property tax, cannabis, fracking top priorities for new Ohio Statehouse leaders



By [Avery Kreemer](#)

Jan 7, 2025

The 136th Ohio General Assembly began to take shape this week as the Ohio House and Senate cemented their respective leadership teams and disclosed priorities over the next two years.

At this point two years ago, Ohio's legislature had already been derailed after House Democrats teamed up with a minority of the chamber's Republicans to elect Rep. Jason Stephens, R-Kitts Hill, to lead the entire chamber. The move sowed discontent among House Republicans and left the Ohio House and the Ohio Senate, both controlled by Republican supermajorities, misaligned.



Credit: AP

No such surprises occurred this time around. As expected, Lima Republican Rep. Matt Huffman was elected (unanimously) to lead the House. The same was true in the Senate for Sen. Rob McColley, a northeast Ohio Republican who forged a close working relationship with Huffman over their shared time in the Senate.

The Ohio House speaker and Senate president hold powerful positions, with the ability to make committee appointments and control what legislation is voted on in each chamber.



Democratic leadership remains the same in the 136th G.A. as it was in the 135th: Rep. Allison Russo, D-Upper Arlington, was reelected minority leader with only a few Republican protest votes and Sen. Nickie Antonio, D-Lakewood, was reelected minority leader with unanimous support.

In sum, Monday's Statehouse proceedings showed that, early on, the 136th General Assembly has alignment between Republicans and Democrats within each chamber but also between the chambers themselves. All four leaders expect that dynamic to make for a productive legislature over the next two years.

For Ohio Democrats, affixed in superminorities in both the Ohio House and Senate, a more productive General Assembly can either leave them steamrolled or with the opportunity to touch — and mold, they'd hope — more pieces of legislation that actually become law.



“I suspect we’ll see things getting through, for better or worse, more quickly through both chambers,” Russo told this outlet Monday.

Antonio, a confessed optimist, told reporters that with Republican leaders of the House and Senate more aligned, there will more often be conversation and debate “that’s been missing this past G.A.”

“I’m really hopeful that it will mean that, as a body, in both the House and the Senate, that we actually get some additional work done,” Antonio said Monday.



## Priorities

Priorities among Republican leaders are so far shared. Both McColley and Huffman told reporters Monday they hope to address rising property taxes; further regulate marijuana by adjusting the framework that legalized recreational use; and focus on energy independence through fracking.

“Obviously, Matt Huffman and I have worked very well together,” McColley told reporters. “I would suspect that he and I are going to have a very collaborative relationship, and I think we’re going to get along quite well over the course of the next two years. I would suspect that we’re going to have a busy first few months, passing an awful lot of legislation.”

McColley said he hopes to capitalize on policies Ohio’s Republican legislature has enacted over recent years to make the state a “better state to live, work and raise a family and invest in a business.”

“I think we really have an opportunity to really put our foot to the floor, put the pedal to the metal, and really accelerate Ohio’s growth,” McColley said. “If we do the right things, I think it’ll pay dividends for years to come.”

Democratic leaders, meanwhile, said they'll focus on bringing down the cost of living in Ohio, including on housing (through property tax reform and other means) and health care. Antonio put an onus on attempting to add more transparency and accountability regarding private schools that accept publicly funded vouchers, a program that has been expanded dramatically by the GOP in recent years.

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*For more stories like this, [sign up for our Ohio Politics newsletter](#). It's free, curated, and delivered straight to your inbox every Thursday evening. Avery Kreemer can be reached at 614-981-1422, [on X](#), via [email](#), or you can drop him a comment/tip with the survey below.*

# JobsOhio locks down state liquor profits through 2053 despite bipartisan criticism

• |Published: Feb. 12, 2025, 4:40 p.m.



By

• [Jeremy Pelzer, cleveland.com](#)

COLUMBUS, Ohio—JobsOhio, the state’s economic-development nonprofit, will now control state liquor profits through 2053, under a 15-year lease extension approved by a state board on Wednesday.

The lease extension, approved by the Ohio Controlling Board, is something JobsOhio and its supporters have sought for years so it can continue offering long-term financial incentives to lure megaprojects to Ohio.

However, the extension was passed over bipartisan criticism that JobsOhio won’t have to pay the state any additional money up front for the extension, unlike [the \\$1.4 billion JobsOhio paid in 2013](#) to obtain the lease, which until now was set to expire in 2038.

JobsOhio, via an affiliated nonprofit, received roughly \$255 million in liquor profits in fiscal year 2024, according to data provided by a JobsOhio spokesman. The organization uses that money to help attract and subsidize economic-development projects around the state, including [a \\$20 billion Intel computer-chip factory](#) and [a planned \\$900 million weapons manufacturing plant](#), both located near Columbus.

Under terms put forward by the state's budget office, JobsOhio's lease will now be extended under the same conditions of the current lease. That includes making deferred payments to the state when liquor profits grow more than 3% per year.

Backers of the lease extension, which include Gov. Mike DeWine and [top state business leaders](#), argue that even though JobsOhio's original lease wasn't set to expire until 2038, the organization needs to secure its hold on state liquor profits even further into the future. That's because JobsOhio now has the ability to offer tax incentives for megaprojects that last up to 30 years, they say.

In addition, the extension helps inoculate JobsOhio from future political leadership changes in the state, [supporters have said](#).

"It will allow (JobsOhio) to have some breathing room," DeWine told reporters on Monday. "It will allow us to continue to compete with other states, and it will allow us to continue to win."

JobsOhio spokesman Matt Englehart said [in a statement late last month](#) that JobsOhio "is in a pivotal moment" right now economically, given the need to build up the state's manufacturing to support the megaprojects that have already come here, as well as to ensure the automotive industry invests in Ohio as it transitions to new technologies like electric vehicles.

Ohio is currently competing with other states for 10 megaprojects, said Christina Frass, the state's assistant budget director, to Controlling Board members on Wednesday.

JobsOhio President and CEO J.P. Nauseef, in a statement following Wednesday's vote, expressed gratitude to the Controlling Board, DeWine, state lawmakers, and the business community for their support.

"The JobsOhio Team and Network Partners will continue to build upon our state's once-in-a-generation opportunities so more and more can realize their own version of the American Dream, right here in the Heart of it All," Nauseef said.

But Attorney General Dave Yost, a Columbus Republican [running for governor next year](#), publicly called for the Controlling Board to delay the vote, saying that JobsOhio should give the state \$840 million in exchange for the lease extension.

Yost, [in a release](#), said that money could be used for things like childcare subsidies, job-skills training, and offering incentives for the long-term unemployed to return to work.

“I have grave concerns that this is not a good deal for Ohioans,” Yost wrote in [a letter](#) last Friday to JobsOhio President and CEO J.P. Nauseef. “How is it in the best interest of the people of Ohio to extend such a valuable franchise under these circumstances?”

Frass answered Yost’s criticism Wednesday by saying that the initial \$1.4 billion payment was [used in part](#) to pay off \$750 million in previously issued bonds that were backed by state liquor profits, as well as to continue “Clean Ohio” environmental programs for another three years.

House Minority Leader Allison Russo, a Columbus-area Democrat, told reporters Wednesday morning that the Controlling Board vote was “extremely rushed,” with few hearings or discussions being held before the lease extension was approved.

“I think there are lots of questions,” Russo said. “What are we getting out of this contract extension? Are we getting more accountability? Are we getting better guarantees? What is the return on investment to us, so far, that the state has made?”

DeWine’s administration initially sought a 15-year lease extension from the Controlling Board last August, but [that effort was shelved](#) after some board members said they first wanted to question JobsOhio officials about a range of concerns.

In particular, then-House Finance Committee Chair Jay Edwards, an Athens County Republican, said at the time he felt JobsOhio wasn’t doing enough to promote development in Appalachian Ohio and that it frequently tries to take credit for projects by jumping “in at the last minute and (giving) a little bit of money after it’s already kind of done deal.”

Edwards and Democrats on the Controlling Board also wanted to put in place new transparency requirements for JobsOhio, which has been exempted from state open-records law.

However, Edwards left the legislature after last year due to term limits. His replacement -- both on Controlling Board and as House Finance Committee

chair – is Republican state Rep. Brian Stewart of Pickaway County, who favors extending the JobsOhio lease.

In 2023, Ohio lawmakers inserted language in the state’s budget bill authorizing a 15-year JobsOhio lease extension. However, it made such a move contingent on approval from the Controlling Board, a seven-member panel mostly made up of state lawmakers that considers proposed spending adjustments by state agencies.

While most of the Controlling Board’s work is noncontroversial, it drew headlines in 2013 when [then-Gov. John Kasich used it to approve Medicaid expansion](#) to cover the state’s working poor, circumventing opposition in the full legislature.

*[Jeremy Pelzer covers state politics and policy for Cleveland.com and The Plain Dealer.](#)*

NEWS &amp; PRESS

# Ohio Partners with Anduril to “Rebuild the Arsenal” for Essential National Security Needs

Defense firm to hire 4,000+ workers at new Pickaway County Manufacturing Facility

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**Published:** Thu Jan 16 2025



PICKAWAY COUNTY, Ohio—Ohio Governor Mike DeWine, Lt. Governor Jon Husted, and JobsOhio announced today that **Anduril Industries**, a leader in defense technology, will establish an advanced manufacturing facility in Pickaway County, bringing more than 4,000 new production and service jobs to Ohio by 2035.

The five-million-square-foot facility, named Arsenal-1, represents the largest single job creation and new payroll project in Ohio’s history and is projected to add nearly \$1 billion to Ohio’s gross domestic product.

Based in Costa Mesa, Calif., Anduril aims to “**Rebuild the Arsenal**” of U.S. military weapons and platforms by “hyperscaling” manufacturing with advanced software and production technologies. The new Ohio facility will strengthen the e’s position as a nationwide leader in the development of better, faster, and

more affordable critical national defense products to help the United States deter, defend, and lead in the world's **Great Power Competition**.

"Ohio's history of advancing aviation, aerospace, and national defense runs deep, but what sets this state apart is our readiness to embrace the future," said Governor DeWine. "At this critical moment in time, our country needs rapid technological innovation, which Anduril will deliver using Ohio's skilled, hardworking labor force. The future of American air power will be made in Ohio!"

The facility will be located on 500 acres in Pickaway County near Rickenbacker International Airport, with room for future growth. Anduril was attracted to Ohio due to the state's supportive business climate, readymade workforce, and legacy of military and federal support and plans to invest over \$900 million in capital into the surrounding area.

"Today is a proud day for Ohio as we welcome Anduril and celebrate the creation of thousands of new jobs in cutting-edge defense manufacturing," said Lt. Governor Jon Husted. "This investment reinforces Ohio's position as a leader in advanced technology and national security. When it comes to 'Made in America,' you can't do it without 'Made in Ohio.'"

In addition to the 4,000 direct jobs at Arsenal-1, the project is anticipated to create a total of 4,500 indirect and induced jobs over the next ten years and more than \$2 billion in annual economic output. Over \$1 billion in-state labor income will be generated, and projected tax revenues are estimated to be roughly \$800 million.

"Arsenal-1 represents a significant step forward in how we build the autonomous systems and weapons our nation and allies need, leveraging Ohio's world-class workforce, robust infrastructure, and scalable, software-driven manufacturing to set a new standard for securing the future of defense," said Anduril Industries CEO Brian Schimpf. "We are ready to break ground and get to work building the capabilities that will strengthen America's industrial base and national security years to come."

The Ohio announcement will be broadcast live today at 9 a.m. at [AndurilOhio.com](http://AndurilOhio.com) and [OhioChannel.org](http://OhioChannel.org).

**ANDURIL BY THE NUMBERS**

<p>OVER <b>\$900M</b> IN REGIONAL CAPITAL INVESTMENT</p>	<p>MORE THAN <b>4,000 WORKERS</b> (BY 2035) <b>LARGEST JOB-CREATION AND NEW PAYROLL PROJECT IN OHIO'S HISTORY</b></p>	<p><b>ARSENAL 1</b> <b>5 MILLION SQ. FT. FACILITY</b> ON 500 ACRES NEAR RICKENBACKER INTERNATIONAL AIRPORT</p>	<p><b>STATEWIDE ECONOMIC IMPACT</b></p>		<p>ANNUAL ECONOMIC OUTPUT OVER <b>\$2B</b></p>	<p><b>TOTAL NEW JOBS</b> (INCLUDING INDIRECT JOBS) <b>8,500</b> (BY 2035)</p>	<p>IN-STATE LABOR INCOME <b>\$1 BILLION</b></p>
<p>MIKE DEWINE GOVERNOR OF OHIO    JON HUSTED LT. GOVERNOR OF OHIO    JobsOhio</p>			<p><b>TOTAL CONTRIBUTION TO OHIO'S GDP</b> <b>\$1 BILLION</b></p>		<p>PROJECTED TAX REVENUES <b>\$800 MILLION</b></p>		

The project will pursue a Job Creation Tax Credit from the Ohio Department of Development at an upcoming Tax Credit Authority meeting. The project will also request \$70 million from the All Ohio Future Fund at an upcoming Controlling Board meeting. The All Ohio Future Fund was established by the DeWine-Husted Administration in partnership with the Ohio General Assembly to support local communities with site readiness and preparation to attract economic development projects.

Separately, JobsOhio plans to provide assistance to the project with a JobsOhio Grant and will disclose the amount of funding after the agreements have been signed. JobsOhio will also provide Anduril with Talent Acquisition Services to work with the company to attract, develop, and retain the skilled workforce the company requires.

Construction and build out of the facility is expected to begin immediately after [redacted] and local approvals, and the first products are targeted to be

manufactured beginning in July 2026.

To meet their bold staffing needs, Anduril will tap into Ohio's third-largest manufacturing workforce, a statewide network of hundreds of universities, community colleges, and technical centers, and leverage JobsOhio's Talent Acquisition Services.

## Anduril: Rebuilding the Arsenal in Ohio

Anduril recently announced \$1.5 billion in funding to hyperscale defense manufacturing. Arsenal-1 in Ohio will be the first manufacturing facility equipped to produce tens of thousands of autonomous weapons systems addressing the urgent needs of the United States and its allies. Anduril is redefining what scale means, which is necessary to support building capacity for future defense needs.

Unlike traditional defense contractors that focus primarily on hardware, Anduril's core system is Lattice OS, an AI-powered autonomous sensemaking and command-and-control platform. Lattice brings autonomy to defense's most challenging missions with open, modular, and scalable hardware components for a layered family-of-systems approach that helps deliver higher-quality products faster and more affordably.

## Designed by Anduril. Built in Ohio.

The partnership established by Anduril and Team Ohio that led to today's announcement reflects Ohio's enduring legacy and ongoing commitment to the United States military and its evolving goal of safeguarding our nation. The project is also supported by One Columbus, Pickaway County officials, and many other local, state, and federal leaders.

Along with aerospace and defense work by GE Aerospace, Honeywell, Sierra Nevada Corp., Joby Aviation, L3 Harris, General Dynamics, and others, Anduril's decision to make a home here shows how that heritage converges with a skilled,

diverse workforce and unparalleled strength in advanced manufacturing and technology to make Ohio the go-to place for forward-looking innovators in the defense sector.

"You can't outsource national security, and today, Ohio is sending a message to the world: Companies that deliver the most complex, challenging, and sophisticated solutions for the defense of the United States of America will find no better home than right here in the 'Heart of it All,'" said JobsOhio President and CEO J.P. Nauseef. "The intersection of advanced manufacturing, military and defense, technology, innovation, and the nation's hardest-working and highly skilled workers creates the ideal environment for these companies to achieve their goals of making our country safer and stronger. Best of all, Anduril will be just down the road to the military customer at Wright Patterson Air Force Base - where the Wright Brothers learned to fly more than 100 years ago! As the United States reshores this capability and fundamentally changes the way we develop solutions to safeguard our nation, Ohio is the place that gets it done better, faster and more affordably than anywhere else."

Anduril's new Pickaway County facility will push the boundaries of manufacturing technology and will also catalyze a new frontier of economic development in Ohio. Company officials chose the site in Pickaway County for several reasons, including its adjacent location to Rickenbacker International Airport which gives the company direct runway access for product testing and development. Rickenbacker is a civil-military public airport that supports the world's largest aircraft. It also offers a wide range of scalable services for all aircraft types, including corporate, general aviation, commercial, air freight, and military.

"This project will diversify our economy, strengthen our nation, create thousands of terrific jobs, and immediately establish the Columbus Region as a center of defense-technology and manufacturing," said Kenny McDonald, President and CEO of One Columbus. "The bold leadership of the DeWine-Husted Administration, JobsOhio, and Pickaway County were pivotal in making this project a reality."

Pickaway County Commissioner Jay Wippel added: "Pickaway County has spent nearly two decades preparing for this opportunity, laying the groundwork to attract transformative projects like Arsenal-1. Through deliberate planning, investment in infrastructure, and a shared commitment among local leaders, businesses, and partners like One Columbus and JobsOhio, we've created an environment where innovation and advanced manufacturing can thrive. This project reflects the strength of those efforts and marks a new chapter of growth and opportunity for our community."

## Anduril & Ohio: Where Heroes Get Their Hardware

This project represents the clearest and strongest example yet of Ohio's role in developing and delivering vital national defense strategies and the solutions to execute those strategies. As the birthplace of aviation and the home of the Wright Brothers, pioneering American space icons like Neil Armstrong and John Glenn, Ohio has been and remains a visionary force within the aerospace industry, driving innovation and growth in every facet.

Some of the reasons that make Ohio uniquely qualified to partner with Anduril include:

Ohio's vast, supportive **military ecosystem**, which includes:

Home to Wright-Patterson Air Force Base; the Air Force Research Laboratory; Defense Supply Center Columbus; Ohio National Guard's 179<sup>th</sup> Cyberspace Wing; NASA's Glenn Research Center and Neil A. Armstrong Test Facility; Central Ohio Aerospace & Technology Center; and the National Space Intelligence Center of the U.S. Space Force.

Ohio's **Aerospace & Aviation** sector is a recognized engine of growth and success for both military and commercial endeavors.

Ohio stands apart as a leader in autonomous vehicles and the burgeoning **advanced air mobility** sector.

Ohio is the top supplier state to Boeing and Airbus.

Ohio is the new headquarters for GE Aerospace

Ohio has the 7<sup>th</sup> largest aerospace and defense employment in the U.S.

"Ohio's success is built on our investment in people, innovation, and opportunity," said Lydia Mihalik, director of the Ohio Department of Development. "Companies like Anduril are choosing Ohio because we've created an environment where businesses thrive and Ohioans prosper."

[Click here](#) to read what other state, federal, local, and business leaders are saying about the announcement.

## **OHIO'S WORKFORCE STANDS READY**

Ohio combines a skilled manufacturing and technology workforce with one of the country's largest military and veteran populations to provide a pipeline of talent that is uniquely qualified to support Anduril.



More than 200 higher-education institutions, including 70+ that offer programs leading to Aerospace Occupations.

Five R1 Carnegie Research Institutions.

6,200 tech graduates every year.

Nearly \$500 million in key workforce development investments, including career tech expansion, higher education workforce training equipment, industry sector partnerships, and upskilling programs.

\$300 million JobsOhio investment in Ohio's three Innovation Districts to generate 47,500 STEM graduates over 10 years

Since 2017, JobsOhio's data-backed approach to attracting, developing, and retaining top talent has helped 89 Ohio companies hire 21,323 new employees.

From 2019 to 2023, a net 97,000 people came to Ohio for job-related reasons.

JobsOhio's [Find Your Ohio program](#) helps connect veterans and transitioning military members with employment opportunities at companies like Anduril.

Learn more at [AndurilinOhio.com](https://www.andurilinohio.com), which includes links to photos and videos.

VISIT THE ANDURIL  
NEWSROOM

## About JobsOhio

JobsOhio, Ohio's private nonprofit economic development corporation, enhances company growth and personnel development through business attraction, retention, and expansion across ten competitive industry sectors.

With a team of seasoned professionals, JobsOhio utilizes a comprehensive

network to foster talent production in targeted industries and attract talent through [Find Your Ohio](#). Collaborating with seven regional partners, including [Dayton Development Coalition](#), [Lake to River Economic Development](#), [Ohio Southeast Economic Development](#), [One Columbus](#), [REDI Cincinnati](#), [Regional Growth Partnership](#), and [Team NEO](#), JobsOhio delivers world-class customer service to provide companies with a competitive advantage. Learn more at [www.jobsohio.com](http://www.jobsohio.com). Follow us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

# # #

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# Trump, Musk endorse Vivek Ramaswamy for Ohio governor

'He will be a GREAT Governor of Ohio, will never let you down, and has my COMPLETE AND TOTAL ENDORSEMENT!' Trump wrote

By [Landon Mion Fox News](#)

President Donald Trump and billionaire Elon Musk on Monday separately endorsed entrepreneur [Vivek Ramaswamy](#) in Ohio's gubernatorial race.

Ramaswamy, who ran against Trump in the 2024 GOP presidential primary, [announced his candidacy](#) earlier on Monday to replace term-limited Republican Gov. Mike DeWine in the 2026 election.

Trump announced his endorsement in a post to his social media platform Truth Social.

"VIVEK RAMASWAMY is running for Governor of the Great State of Ohio. I know him well, competed against him, and he is something SPECIAL," Trump wrote.



"He's Young, Strong, and Smart! Vivek is also a very good person, who truly loves our Country," he continued. "He will be a GREAT Governor of Ohio, will never let you down, and has my COMPLETE AND TOTAL ENDORSEMENT!"

Musk, a senior advisor to Trump, also offered Ramaswamy his endorsement a short time later.

"Good luck, you have my full endorsement!" Musk responded to Ramaswamy in a post on X.

### **TOP JD VANCE POLITICAL ADVISORS TO PLAY KEY ROLES IN RAMASWAMY CAMPAIGN**

Musk and Ramaswamy were initially slated to lead the Department of Government Efficiency (DOGE) when Trump returned to the White House last month, but Ramaswamy exited the newly formed cost-cutting department – still led by Musk – ahead of Inauguration Day as he prepared to launch his campaign for governor. Speculation swirled after Ramaswamy's departure from DOGE about a possible falling out between him and Musk, allegations Ramaswamy has denied.



**President Trump fully endorsed Ramaswamy for governor of Ohio, adding that he is special, smart and a "very good person who truly loves our country." (Getty Images)**

Ramaswamy formally declared his candidacy during a rally on Monday in his hometown of Cincinnati.

"I will lead Ohio to become the state of excellence in America," Ramaswamy told the crowd.



**Elon Musk also said he supports Ramaswamy in his bid for governor of Ohio. (Getty Images)**

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"Think that sounds unrealistic? It's not," he said. "In fact, it wasn't long ago that Ohio was that state. Today, young people on the internet make fun of something by saying 'that's so Ohio.' But less than a century ago, people weren't making fun of Ohio, they were aspiring to be Ohio."

Ramaswamy, 39, dropped out of the race for the 2024 Republican presidential nomination to [endorse Trump](#) and become a surrogate for the current president.

# Vivek Ramaswamy is running for Ohio governor. Watch announcement live at 5:30

Jessie Balmert  
Cincinnati Enquirer



- diversity initiatives.

Today, former presidential candidate and wealthy entrepreneur Vivek Ramaswamy will launch his campaign for Ohio governor to replace term-limited Mike DeWine.

Ramaswamy, 39, a suburban Cincinnati native who now lives in Upper Arlington, has never run for public office in Ohio. But he enters the race as its presumptive frontrunner because of his connections to President Donald Trump and Vice President JD Vance, whose former staff will run Ramaswamy's 2026 campaign.

Ramaswamy has already racked up support from state and national politicians from Utah Sen. Mike Lee and Florida Sen. Rick Scott to Ohio Secretary of State Frank LaRose and Ohio Treasurer Robert Sprague.



Ramaswamy is the latest version of the Republican up-and-comer who is uninterested in waiting in line to run statewide. In 2022, Vance defeated a state treasurer, state party chair and state senator in the Republican primary for Ohio Senate. U.S. Sen. Bernie Moreno, a Cleveland luxury car dealer, defeated the Ohio secretary of state and that same state senator in 2024 primary.

In recent weeks, Ramaswamy's gubernatorial aspirations have been an open secret. He said in an interview he'd like to lead Ohio into "a state of excellence." He attended the swearing-in of a Republican Ohio Supreme Court

justice and sat courtside at a Cleveland Cavaliers game recently. He's set to speak at local Lincoln Day dinners across the state.

Ramaswamy will face Ohio Attorney General Dave Yost and Morgan County's Heather Hill in the Republican primary for governor. Former Ohio Department of Health Director Dr. Amy Acton is the sole Democrat in the race so far.

The race has already seen several twists and turns even though the primary is more than a year away. DeWine's chosen successor, Lt. Gov. Jon Husted, instead took an appointment to the U.S. Senate to replace Vance. Husted's successor, former Ohio State University football coach Jim Tressel, isn't ruling out a bid for governor.



## **Ramaswamy: An anti-woke, pro-Trump candidate**

Ramaswamy built an "anti-woke" brand by opposing affirmative action and diversity, equity and inclusion. He founded a Dublin-based asset management company to compete against firms investing in progressive causes.

Ramaswamy was an early and ardent supporter of Trump's reelection bid after dropping out of the 2024 GOP primary himself. Speaking at Trump's Madison Square Garden rally before Election Day, Ramaswamy said: "Identity politics

never works in America. When you select someone based on their race and their gender, it always ends up being a disaster."

"And I'm actually talking about (Democratic vice presidential nominee) Tim Walz this time," Ramaswamy quipped.

Trump tapped Ramaswamy and billionaire CEO of Tesla and SpaceX Elon Musk to lead the new Department of Government Efficiency or DOGE, which is tasked with cutting regulations and spending. But Ramaswamy recently left DOGE after Trump and Vance were sworn in.

A spokesperson for DOGE told the Associated Press that the commission's employees will be unable to run for office. Ramaswamy also faced criticism for defending technology companies' embrace of H-1B visas to hire foreign workers. He attributed such decisions to American "mediocrity" and a cultural embrace of lazy sitcom characters.

"A culture that celebrates the prom queen over the math olympiad champ, or the jock over the valedictorian, will not produce the best engineers," he wrote.

## **Who is Vivek Ramaswamy?**

Ramaswamy was raised in the Cincinnati suburb of Evendale by Indian immigrant parents. His father worked as an engineer at General Electric Aviation and his mother was a geriatric psychiatrist.

He was valedictorian at St. Xavier High School, a private all-boys Jesuit-run school west of Cincinnati. He went on to graduate from Harvard and Yale Law School.

Ramaswamy founded the pharmaceutical research company Roivant Sciences in 2014. He co-founded the Dublin asset management company Strive Assessment Management in 2022.

Ramaswamy launched a longshot bid for president in February 2023, focusing on fighting "COVID-ism, climate-ism and gender ideology." His campaign ended in January 2024 after coming in fourth place in the Iowa Republican caucuses.

After dropping out of the race, Ramaswamy became a devoted surrogate for Trump on the campaign trail. He frequently defends Trump's policies on X, formerly known as Twitter. Trump even encouraged Ramaswamy to seek Vance's Senate seat in Ohio.

He has written three books titled, "Woke, Inc.: Inside Corporate America's Social Justice Scam," "Nation of Victims: Identity Politics, the Death of Merit, and the Path Back to Excellence" and "Truths: The Future of America First."

Ramaswamy lives in Upper Arlington with his wife, Apoorva Tewari Ramaswamy, a Yale School of Medicine graduate, physician and assistant professor at Ohio State University. They have two sons.

*The Cincinnati Enquirer's Scott Wartman and Carl Weiser and statehouse bureau reporter Haley BeMiller contributed to this article.*

*Jessie Balmert covers state government and politics for the USA TODAY Network Ohio Bureau, which serves the Columbus Dispatch, Cincinnati Enquirer, Akron Beacon Journal and 18 other affiliated news organizations across Ohio*

# New Ohio Lt. Gov. Jim Tressel: Mike DeWine's political heir or caretaker?

• |Published: Feb. 16, 2025, 5:30 a.m.



By

• [Jeremy Pelzer, cleveland.com](#)

COLUMBUS, Ohio—Gov. Mike DeWine's surprise pick last week of Jim Tressel to become his lieutenant governor quickly got Capitol Square talking: does DeWine want Tressel to be his political caretaker, or his political successor?

DeWine and Tressel aren't ruling the latter option out, telling *The Plain Dealer*/[cleveland.com](#) this week that they haven't yet discussed the political future of Tressel, a former Ohio State University football coach and retired university administrator from Medina.

"I haven't given any thought against it, but I haven't given any thought to it either," Tressel said in an interview Thursday, "because I have been focused on what the governor would like me to learn (and) what the governor would like me to do."

DeWine's expected to retire from politics after he leaves the governor's office in 2027 due to term limits. But when he was asked last week whether his appointment of Tressel should be read as his setting up Tressel to become heir apparent, DeWine replied, "No."

"When (First Lady) Fran (DeWine) and I went to Medina to talk to Jim, all we talked about is the next two years... and we talked about what we wanted to accomplish during that time," DeWine said during a meeting with The Plain Dealer/cleveland.com editorial board. "We did not talk about the next election. Had no conversation with him in regard to that at all."

## **Coming up for fresh heir?**

The subtext to all of this is that DeWine is nearing his political retirement at a time when his party is dominated by President Donald Trump, whose brash manner and populist policies stand in glaring contrast to DeWine's quieter, establishment conservatism.

DeWine's longtime heir apparent, Jon Husted, abandoned his gubernatorial campaign when DeWine appointed him to the U.S. Senate last month. That means the GOP primary race is now shaping up to be a two-man contest between 2024 presidential candidate Vivek Ramaswamy (whose style and platform are firmly Trump-esque), and Attorney General Dave Yost.

The 2026 GOP primary winner is expected to be the favorite to beat the Democratic nominee in the general election, given Republicans' domination of Ohio in recent years.

While DeWine says he's not thinking yet about whether he will position Tressel to become his successor, there are plenty of others around the state who have thought a lot about it.

The argument for Tressel is that he's well-known and beloved from his time as Ohio State football coach – a job that can be a launching pad to high political office, as shown by Auburn University football coach Tommy Tuberville's successful run for U.S. Senate in 2020.

Ohio State is one of the largest universities in the country, giving it a massive alumni base. And its football program stretches even further into living rooms around the state every Saturday, a place Tressel occupied in their homes for a decade.

If you're looking for a true household name on Ohio's ballot, it would be hard to find one as well-known as Tressel's.

Also, while Tressel shares his new boss' low-key demeanor and old-school conservative politics, he voted for Trump and supported many of the president's favored candidates, including [co-hosting a fundraiser with Tuberville last year](#) for now-U.S. Sen. Bernie Moreno.

### **Out of the game?**

However, several Ohio Republican consultants and political experts said they've seen no sign so far that Tressel is making any behind-the-scenes moves to run for governor in 2026. They expressed doubt that he will do so – and, if he does, whether he could win.

“He makes perfect sense as a caretaker,” said Ryan Stubenrauch, a GOP political consultant who previously worked on a number of DeWine's campaigns. “He's 72. I can't imagine that he wants to run for office as a 73-year-old.”

Mike Gonidakis, president of Ohio Right To Life and a 2024 Republican National Convention delegate, said he doesn't see Tressel running for governor, given that there are two formidable candidates already in the race and that Tressel would have to move quickly to construct a political apparatus and build relationships with Republican officials around the state.

“The runway is pretty short to announce a plan for governor, while you also have a brand-new day job,” Gonidakis said. “So, logistically speaking, I'm not sure it makes sense.”

Gonidakis, a 51-year-old Ohio State alum, said while people like him remember Tressel fondly for winning at least a share of six Big Ten titles and a national championship in 2002, there are a lot of younger Ohio voters who don't know him as well.

David Niven, a University of Cincinnati political science professor and former speechwriter for Democratic Gov. Ted Strickland, said that 10 years ago, Tressel's appointment as lieutenant governor would have cleared the GOP field for him to run for governor.

But in the Trump era, Niven said, that's no longer the case. While Tressel may have voted for the president, Niven said, he hasn't enthusiastically

supported him in the way that Tuberville did prior to running for U.S. Senate.

“(Tressel’s) style, in all respects, was never to take the biggest chances and do the flashiest things,” Niven said, harkening to Tressel’s conservative reputation on the football field. “And it’s hard to imagine winning a Republican nomination right now without being the flashiest, the angriest and the loudest.”

When Tressel was asked Thursday how he thought Trump has done overall during his first few weeks in office, he replied that he’s been too busy the past couple weeks to watch the news.

“He seems to have come in and have a lot of energy and gone and tried to tackle some of the big things that he said he would -- you know, securing our border and things like that. So, like I’ve told many people, whoever’s our president or whoever’s our governor, or whoever’s my congressperson that the people voted in, that’s, that’s my person,” Tressel said. “I hope like crazy he and his people do great things.”

But some Republicans said that while Tressel might not be striving right now to launch a campaign for governor, DeWine has still positioned him to swoop in if he sees an opening in the race.

“Right now, I doubt Tressel’s focused (on) or interested in politics,” said Terry Casey, a longtime Republican political consultant. “But if things wouldn’t work out for Ramaswamy and/or Yost, then people might consider or push his name.”

*Jeremy Pelzer covers state politics and policy for Cleveland.com and The Plain Dealer.*



MEMORANDUM

TO: Ohio Manufacturers' Association  
Government Affairs Committee

FROM: Bricker Graydon LLP  
Christopher N. Slagle, OMA General Counsel

DATE: February 27, 2025

RE: February 2025 OMA Government Affairs Committee Counsel Report

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I. February 2025 Government Affairs Committee Counsel Report.

Please find below several political, legislative, and judicial efforts our Firm has been monitoring for the OMA.

II. Statewide Ballot Issues and Related Legislation Overview.

Public Works Bond Program.

During lame duck session in the 135<sup>th</sup> General Assembly, House Joint Resolution 8 (Oelslager, Troy), was approved to place a constitutional amendment to extend the bonding authority for the Public Works Program on the May primary ballot this year. If approved by voters, the amendment would permit the issuance of additional \$2.5 billion of general obligation bonds to fund public infrastructure capital improvements. The constitutional amendment will appear as Issue 2 on the May ballot, and the Ohio Ballot board approved the ballot language on February 11, 2025.

The issue already has the backing of Strong Ohio Communities, a coalition that includes: the Affiliated Construction Trades of Ohio, the American Council of Engineering Companies of Ohio, the Associated General Contractors of Ohio, the County Commissioners Association of Ohio, the County Engineers Association of Ohio, Flexible Pavements of Ohio, For Ohio, the International Union of Operating Engineers – Local 18, the Ohio Association of Regional Councils, the Ohio Chamber of Commerce, the Ohio Contractors Association, the Ohio Council of County Officials, the Laborers' District Council of Ohio, the Ohio Mayors Alliance, the Ohio Municipal League and the Ohio Township Association.

Minimum Wage.

Although, organizers, One Fair Wage, of a proposed constitutional amendment to raise Ohio's minimum wage already had the ability to collect signatures to place the measure on the ballot, the group instead refiled the constitutional amendment with the Attorney General's office on March 27, 2023. The third submission of the constitutional amendment includes an increase of



minimum wage to \$12.75 per hour on January 1, 2025 and then increase to \$15 per hour on January 1, 2026. The Attorney General certified the summary as truthful and accurate statement on April 5, 2023. Following, the Ohio Ballot Board met and certified the issue as a single issue for the ballot. The group attempted to collect signatures to file before the July 3, 2024, but One Fair Wage made a statement on the deadline date that they failed to collect enough signatures in the required number of counties, and therefore will try again for the November 2025 General Election.

On May 1, 2024, Senator Bill Blessing (R- Colerain Township) introduced S.B. 256 to get ahead of the anticipated ballot issue. S.B. 256 will increase the state hourly minimum wage rate to \$15 per hour by January 1, 2028 for non-tipped employees. Currently, Ohio's minimum wage for 2024 is \$10.45 per hour for non-tipped employees. The minimum wage would increase by a dollar each year after the first increase to \$12 beginning on January 1, 2025. The minimum wage would be \$13 per hour beginning on January 1, 2026, \$14 per hour on January 1, 2027 until reaching the \$15 per hour in 2028. Additionally, the bill requires, beginning January 1, 2029, the minimum wage rates to be adjusted annually based on the Consumer Price Index, in accordance with Ohio's constitutional minimum wage requirements. Counsel provided a memorandum to OMA describing the possible impacts of S.B. 256 to Ohio manufacturers.

#### Secure and Fair Elections/Ohio Voter Bill of Rights.

In 2020, a constitutional amendment allowing for same day voter registration among other election provisions, was submitted to the Attorney General's office and was certified. However, Ohio Ballot Board determined the amendment was multiple issues. So, the group would need to collect signatures for each separate issue. After litigation, the Ohio Supreme Court determined the Ballot Board should reconvene and determine the amendment to be one ballot issue, but denied the petitioners' request for additional time to request signatures. The group didn't have adequate time from the Court's decision to the July 2020 deadline to collect signatures. Therefore, the ballot issue did not appear on the 2020 November General Election ballot.

On December 19, 2023, the group submitted similar same day voting registration language to the Attorney General's office to start the ballot issue process. The Attorney General's office rejected the summary on December 28, 2023. The group waited a few weeks and on January 16, 2024, the group submitted their second submission and renamed it "Ohio Voter Bill of Rights." Again, the Attorney General's office denied the summary. The group filed a writ of mandamus with the Ohio Supreme Court and requested an expedited schedule. The court denied their request for an expedited schedule on February 8. Following, on February 26, 2024, Attorney General Yost filed a motion to dismiss. The Ohio Supreme Court denied the motion to dismiss on May 22, 2024, and set a briefing schedule for the case. After the briefing schedule, on October 30, 2024, the Ohio Supreme Court unanimously ruled that the Attorney General overstepped his statutory bounds to review a summary of a ballot issue. The Court ordered that the Attorney General review the summary within 10 days of the Court's decision. On November 8, 2024, Attorney General approved the summary as truthful and fair. Now, the Ohio Ballot Board will meet to determine if the proposed constitutional amendment is one issue or multiple. This proposed ballot issue is similar to another ballot issue proposed in 2020 on election process, which the Ohio Ballot Board found to be multiple issues. The group supporting that ballot issue filed a suit against the Ohio



Ballot Board arguing the ballot issue should be considered only one issue, and won with a 5-4 vote of the Court. The Ohio Supreme Court at that time was led by Chief Justice Maureen O'Connor.

### Protecting Ohioans' Constitutional Rights.

A group filed an initiative petition for a constitutional amendment to Article I of Ohio's Constitution on February 28, 2023. The constitutional amendment would create a private cause of action when a person's constitutional and/or legal rights are violated by a state, county, municipal government and/or political subdivisions. The amendment would also allow for attorney fees, damages and court costs for successful actions brought. On March 8, 2023, the Attorney General rejected the summary because it had several misstatements and omissions that, as a whole, would mislead a potential signer as to the actual scope and effect of the proposed amendment. The group resubmitted the initiative petition on May 24, 2023 with a revised summary. On Friday, June 2, 2023, the Ohio Attorney General again rejected the group's summary. The group submitted their summary language again on November 8, 2023, and the Attorney General rejected the summary on November 17, 2023. The group submitted the language for a fourth time on March 5, 2024 and the Attorney General rejected the summary again on March 14, 2024. On March 20, 2024, the petitioner filed a complaint of writ of mandamus with the Ohio Supreme Court (case no. 2024-0409). The petitioners requested an expedited decision. The Ohio Supreme Court denied the petitioners' motion to expedite the case on March 26, 2024. Attorney General Yost filed a motion to dismiss this case on April 19, 2024.

After the Ohio Supreme Court denied an expedited court process, the petitioners filed a complaint (case no. 24-3354) against Attorney General Yost at the United States District Court Southern District of Ohio on March 27, 2024, the group requested an expedited proceeding along with preliminary injunction and temporary restraining order. Following a briefing schedule, the court denied the motion for a temporary restraining order and preliminary injunction on April 25, 2024. On April 26, 2024, the petitioners filed an appeal of the district court's decisions. A three-judge panel on the Sixth Circuit Court found the group's First Amendment rights have been harmed by Yost's repeated refusal to certify its summary. The panel ordered the Attorney General to file the summary with Ohio's ballot board as the next step. Attorney General Yost requested an en banc review, which is when the full bench of the U.S. Sixth Circuit Court of Appeals will review the case. On June 17, 2024, the Sixth Circuit Court of Appeals granted Attorney General Yost's request for an en banc review. The en banc hearing occurred on October 30, 2024. Parties are awaiting a decision.

After the en banc review was granted by the U.S. Sixth Circuit Court of Appeals, the group filed their ninth summary with the Attorney General, and again Attorney General Yost rejected the summary because it was not a fair and truthful statement of the proposed constitutional amendment. After the group of petitioners filed another case in the Ohio Supreme Court (case no. 2024-1047) and again asked for expedited treatment. The court denied the petitioners' motion to expedite. However, on November 14, 2024, the Ohio Supreme Court issued a decision ordering the Attorney General to review the ballot issue summary. The order was expected after both sides of the case had jointly filed a motion asking the Court to pause the case in the wake of a separate



ruling that found Attorney General Yost did not have the authority to reject a proposed petition summary based on its title.

### III. Pending Legislation (2023-2024).

Ohio's legislature returned on January 6, 2025 for opening day of the 136<sup>th</sup> General Assembly. Since the swearing in members, the Ohio House and Senate quickly announced committee assignments and priority legislation for the 136<sup>th</sup> general assembly, which includes energy. On February 3, Governor DeWine announced his last operating budget priorities, including childcare, healthcare and increase on tobacco and vapor products to fund some of the initiatives. We will provide a further summary of House Bill 96 (Stewart) below.

Income Tax Reduction. Representatives Adam Mathews (R-Lebanon) and Brian Lampton (R-Beavercreek) introduced House Bill 30, to phase-down the state income tax to a flat rate of 2.75% over two years. The bill was referred to House Ways and Means Committee. Senator George Lang (R-West Chester), introduced companion language, Senate Bill 3. Senate Bill 3 was referred to Senate Ways and Means Committee, and received its first hearing on January 29, 2025.

Pricing Algorithms. Senators Bill Blessing (R-Colerain Township) and William Blackshear (D-Dayton) introduced Senate Bill 79, to regulate the use of pricing algorithms. This is similar to Senator Blessing's bill from the 135<sup>th</sup> General Assembly. The bill was referred to Senate Financial Institutions, Insurance and Technology Committee. Senate Bill 79 prohibits a business from using to distributing a pricing algorithm that uses, incorporates or is trained with nonpublic competitor data. Nonpublic competitor data means "nonpublic data that is derived from or otherwise provided by another person that competes in the same market as a person, or a related market. "Nonpublic competitor data" does not include information distributed, reported, or otherwise communicated in a way that does not reveal any underlying data from a competitor, such as narrative industry reports, news reports, business commentaries, or generalized industry survey results."

Operating Budget. Governor DeWine announced his last operating budget on February 3, 2025. His announcement included the following provisions:

- A new \$1,000 per child (6 and under) tax credit, funded by a \$1.50 per pack increase in tobacco taxes.
- Increasing subsidized childcare.
- \$50 million to create the Ohio SEE program that will increase eye screenings for children (kindergarten through grade three) and make eyeglasses available.
- Expanded school-based healthcare.
- \$100 million to increase housing in rural areas.
- Increasing the Historic Rehabilitation Tax credit from \$60 million to \$120 million and creating a new Historical Rehabilitation Tax credit for owner/occupied homes.
- \$8 million to assist local governments with cybersecurity.
- Increasing both the local government fund and public library fund.



- Increasing the sports gaming tax to 40% (current tax rate is 20%) to fund a new fund for supporting major and minor league sports stadiums and to reduce high school sports/activity fees for students.

Following, House Finance Committee began informal hearings on the budget bill. On February 11, Chair Stewart introduced the administration proposal, House Bill 96. The Ohio House is utilizing their standing committees to review individual agencies' requests contained House Bill 96. Currently, the House is working on their first round of budget requests, and will be setting a deadline for the first round soon.

#### IV. Tort Reform.

Counsel is currently monitoring various tort reform legislative efforts and await the possible re-introduction of certain civil justice legislative items from prior legislative cycles.

Third Party Litigation Funding. Senator Steve Wilson (R-Maineville) reintroduced the non-recourse civil litigation legislation, Senate Bill 10. Among other provisions, the bill requires the disclosure of consumer agreements and commercial agreements to other parties to a legal action. The bill was referred to Senate Judiciary Committee, and received its first hearing on February 12, 2025. A House companion bill is anticipated.

#### V. Energy Related Legislation.

Repeal of Electric Security Plans/ EDU Ownership of Generation Prohibition. Both chambers expressed that energy policy would be driving priority this general assembly. Representative Klopfenstein (R- Haviland) introduced House Bill 15, which among other things will repeal an EDU's ability to file an electric security plan and prohibits an EDU from owning a generating facility in Ohio. House Bill 15 has several other competitive provisions that allow for consolidated supplier billing. After introduction, Chair Holmes of the House Energy Committee announced a thorough committee process on the bill with the anticipation that it will be voted out of the committee by mid-March. Thus far, the bill received sponsor and proponent testimony in the first two weeks of February. OMA provided testimony in support of House Bill 15, which can be found [here](#). The House will be not be in Columbus the week of February 17, but anticipates to pick back up its legislative work the week of February 24.

The Senate introduced a placeholder bill, Senate Bill 2 (Reineke), on January 22, 2025. Senate Energy Committee held its first hearing on the bill on February 11, 2025, and released the substitute bill the day prior. Senate Bill 2 includes similar provisions to House Bill 15, but includes changes to the definition of behind the meter generation, permitted BTM generation on property that is owned by the customer and no longer needs to be adjacent to the customer's property. Additionally, Senate Bill 2 allows for "mini-rate cases" for EDUs to recover capital investment costs for energy development projects, although Senate Bill 2 also repeals the ESP statute. Senate Bill 2 is scheduled for a second hearing on February 18, with proponent and interested party testimony.



## VI. Political Updates.

U.S. Senate. Vice President Vance vacated his U.S. Senate seat to be sworn in, and Governor DeWine appointed Lt. Governor Husted to become Ohio's next U.S. Senator. Senator Husted was sworn in the day of the Presidential Inauguration and hit the ground running with this first Senate vote that day.

Lt. Governor. After Senator Husted vacated his spot as Lt. Governor, Governor DeWine appointed former OSU football coach and retired Youngstown State University President Jim Tressel to file the role. He was sworn into the role on February 14, 2025. Some speculate that Lt. Governor Tressel may try and run for Governor in 2026, if so, it will be a crowded Republican primary.

Statewide Races. All of Ohio's statewide offices are up in 2026. Quickly after the presidential inaugural and the 2024 election cycle wrapped up, candidates made their announcements for certain statewide spots. Most notably, Treasurer Robert Sprague (R- Findlay) withdrew out of the race for Governor, and is running for Secretary of State. After his announcement, Niraj Antani (R-Miami Township), who previously announced his candidacy for Secretary of State, switched his next move to the Treasurers' office. Current State Senator Kristina Roegner (R-Hudson) announced that she is running for Treasurer. Therefore, there will be a contested Republican primary for Treasurer. Secretary of State Frank LaRose announced his candidacy for Auditor. Auditor Keith Faber (R-Celina) announced his candidacy for Attorney General.

Attorney General Dave Yost (R-Delaware) is still in the running for Governor, however, Vivek Ramaswamy (R-Upper Arlington) filed paperwork to form his state candidate committee and is expected to announce his candidacy the week of February 24. Ohio has a busy upcoming election cycle.

## VII. Litigation Updates.

### A. Monitored cases

1. *State of Ohio v. Du Pont de Nemours and Co., Washington County Common Pleas Court, Case No. 18OT000032 (dismissed); Fourth District Court of Appeals, designated as Case No. 19CA000015 (dismissed); Fourth District Court of Appeals, Case No. 20CA000030 (dismissed); Fourth District Court of Appeals, Case No. 21CA000022 (dismissed); Fourth District Court of Appeals, Case No. 24CA000001*

On February 8, 2018, Ohio Attorney General Mike DeWine filed a lawsuit against DuPont and the Chemours Company in the Washington County Common Pleas Court alleging that the company released perfluorooctanoic acid (PFOA) from its 1,200 acre facility on the Ohio River for decades, all while knowing the harm the toxic chemical posed to people and the environment.

The complaint cites a 2017 University of Cincinnati study that found residents of the Mid-Ohio River Valley had elevated levels of PFOA. The state further alleges that at least 150,000 pounds of the chemical used to manufacture Teflon products was put into the Ohio River in the



1980s and an additional 350,000 pounds was discharged into the river in the 1990s. The complaint alleges that DuPont negligently caused environment contamination and created a public nuisance through its release of PFOA in the air, soil, and water.

The State is asking for (1) a declaration of DuPont's duty to compensate the state for expenses related to the contamination from the chemical; (2) damages for injury to the state's natural resources; (3) an award of present and future costs to clean up the contamination; and (4) restitution damages for profits DuPont obtained through the conduct alleged in the complaint.

On April 12, 2018, Defendants each filed a motion to dismiss. DuPont argues that the court lacks jurisdiction because the US EPA consent orders preempt such claims and that the state lacks standing. Defendant Chemours Company's motion to dismiss argues that the state failed to state a claim upon which relief can be granted against Chemours. On May 14, 2018, the state filed its memoranda in opposition to Defendants' motions to dismiss, and DuPont filed its reply in support. An oral hearing was held on this motion on July 20, 2018.

On October 12, 2018, the Little Hocking Water Association ("Little Hocking") filed a motion to intervene as a plaintiff. The State opposed the motion. This motion has been fully-briefed and the parties are awaiting the Court's decision.

In January 2019, this case was assigned to Judge Timothy Hogan, a retired judge from Hamilton County, Ohio. In late February, Plaintiff requested a status conference with the Court in late March to address the pending motion to dismiss, the pending motion to intervene, and to discuss a scheduling order.

On June 4, 2019, the court denied the Defendants' motions to dismiss and also denied Little Hocking's motion to intervene. On July 5, 2019, Little Hocking filed a motion for reconsideration, which awaits the court's decision.

On July 5, 2019, Little Hocking also appealed from the June 4 decision denying its motion to intervene. This appeal is pending in the Fourth District Court of Appeals, designated as Case No. 19CA000015. On July 25, the Court of Appeals ordered Appellant to file a memorandum addressing the issue of jurisdiction. Ultimately, the appeal was dismissed for lack of a final appealable order.

On July 29, 2019, Plaintiff filed an amended complaint to add claims for actual and constructive fraudulent transfer under the Uniform Fraudulent Transfer Act, R.C. 1336.01, *et seq.* On August 28, 2019, Defendant filed a motion to separate and stay Plaintiff's claims for actual and constructive fraudulent transfer. The State opposed this motion. On December 26, 2019, the Court denied this motion. On January 15, 2020, Defendants filed their answers to the amended complaint.

On March 12, 2020, the court granted Plaintiff's motion to compel discovery. The court indicated that it was not impressed with some of the Defendants' objections to discovery and stated that, "discovery, if obstructed, shall be met with punishing sanctions."



A new case scheduling order was issued on October 16, 2020, which sets the following deadlines: (1) fact discovery – February 26, 2021; (2) expert discovery – November 30, 2021; and (3) dispositive motions – January 15, 2022. The trial was scheduled to begin on April 4, 2022.

Also, on October 16, 2020, the Court found Defendants to be in noncompliance with some of its previous orders. It ordered Defendants to produce all documents responsive to Plaintiff's First Request for Production of Documents without regard to privilege. If the State intends to use a document, then Defendants may assert a privilege and seek an in camera review.

On October 23, 2020, DuPont appealed to the Fourth District Court of Appeals (Case No. 20CA000030) from the October 16, 2020 order to the extent it requires the production of privileged information. On October 26, it also filed an emergency motion for stay pending the outcome of the appeal. Plaintiff opposed the motion to stay. On July 22, 2021, the Fourth District Court of Appeals dismissed the appeal for lack of a final appealable order.

On November 2, 2020, Plaintiff filed a motion for leave to file its second amended complaint due to DuPont's corporate reorganization and alleged attempt to transfer its assets. DuPont opposed this motion. The second amended complaint was filed on March 3, 2021. Answers were filed on April 1, 2021.

On December 22, 2020, the Court ordered Defendants to produce the Corporate Environmental Database and other items listed in Plaintiff's December 2, 2020 letter. The court further indicated that failure to comply by December 15, 2020 "will result in an evidentiary sanction."

Judge Hogan retired, effective December 31, 2020 and withdrew from the case. Retired Judge Richard McMonagle was assigned as the presiding judge for this case effective February 1, 2021.

On April 1, 2021, Defendants moved to dismiss Plaintiff's unjust enrichment claim, which was denied on May 12. Also, on April 1, 2021, Defendants moved to join the Ohio EPA and its Director as real parties in interest. This motion was denied on May 17.

On April 26, 2021, Defendants Corteva, Inc. and DuPont de Nemours, Inc. moved to dismiss the complaint for lack of personal jurisdiction.

On May 10, 2021, Plaintiffs moved for partial summary judgment on the assumption of liabilities of Corteva Inc. and DuPont de Nemours, Inc.

On May 18, 2021, the Court set a final pretrial and settlement conference for October 4, 2022, and trial on November 1, 2022.

On June 11, 2021, E.I. du Pont de Nemours and Company's filed a Motion for a Protective Order Over Documents Plaintiff Seeks from Third-Party Deloitte.



On June 17, 2021, Plaintiff filed a Motion to Compel Discovery from Defendants E.I. du Pont de Nemours and Co. and The Chemours Company.

On July 2, 2021, the court amended the scheduling order. A final pretrial and settlement conference was scheduled for October 4, 2022. The trial was scheduled for November 1, 2022.

On August 4, 2021, the court denied Corteva and DuPont's Motion to Dismiss and granted plaintiff's cross-motion for partial summary judgment on the assumption of liability.

On August 5, 2021, Plaintiff filed a Motion to Compel Production of Documents Improperly Withheld on the Basis of Privilege by Third-Party Deloitte Transactions and Business Analytics LLP, which has been fully briefed. On August 17, 2021, Plaintiff filed a notice of deposition for Deloitte's deposition. In late October and early November, Plaintiff filed several notices of depositions duces tecum on governmental agencies, including the Ohio EPA and the Ohio Department of Health.

On November 19, 2021, the Court denied Defendants' motion for a protective order, which was filed on August 13, 2021. The order requires Defendants to produce all documents requested regardless of privilege.

On December 30, 2021, Defendants filed a notice of appeal of this order in the Fourth District Court of Appeals (Case No. 21CA000022) requiring Defendants to produce privileged documents. The appeal was dismissed on March 25, 2022.

On December 3, 2021, the State filed an expedited motion to stay the agency depositions that Defendants have noticed and to hold Defendants in contempt for not providing the documents ordered to be provided on November 19, 2021. This motion has been fully briefed.

On December 30, 2021, DuPont appealed to the Fourth District Court of Appeals (Case No. 21CA000022) from the November 19, 2021 order requiring defendants to produce privileged documents.

An Amended Scheduling Order was filed on May 3, 2022. A status conference was held on September 29, 2022.

On May 18, 2022, defendants filed a motion for summary judgment. Defendants' motion for summary judgment was denied on July 19, 2022.

On August 22, 2022, Plaintiff filed a motion for further sanctions seeking entry of default judgment against Defendants E.I. DuPont de Nemours and Co. and The Chemours Company. On September 14, 2022, Defendants filed an opposition to plaintiff's motion for entry of default judgment, and plaintiff filed its reply in support on September 26, 2022.

On October 3, 2022, the court filed an amended scheduling order: fact discovery due February 13, 2023; second supplemental expert disclosures due February 13, 2023; plaintiff's experts' reports due March 3, 2023; defendants' experts' reports due May 3, 2023; expert



discovery due August 3, 2023; dispositive motion due September 29, 2023; responses to dispositive motions due October 30, 2023; replies in support of dispositive motions due November 15, 2023; final pretrial conference scheduled in January 2024; and trial is set for February 2024, but no date has been specified.

On November 3, 2022, the court filed a procedural order appointing a special referee to hear and make recommendations regarding privilege and work product determinations. On November 7, 2022, the court filed an order stating that, before the court enters a protective order, Deloitte is ordered to produce a privilege log so that the court and plaintiff can weigh old DuPont privilege claims over individual documents. Production is to be completed by December 20, 2022. A hearing on objections is set for January 11, 2023.

On December 19, 2022, Plaintiff filed (under seal) its Position Statement Regarding the Challenged Documents. On January 18, 2023, Defendant filed (under seal) its Position Statement Regarding the Challenged Privileged Documents. On February 10, 2023, Plaintiff filed (under seal) its Reply in Support of its Position Statement Regarding the Challenged Documents. No ruling has been made yet.

On January 11, 2023, (1) Plaintiff filed a letter to the Court addressing the Motion to Compel that was filed. That same date, (2) E.I. DuPont filed a letter to the Court in response to Plaintiff's letter asking the Court to rule on a Motion to Compel; and (3) Plaintiff filed a letter to the Court addressing the privilege log that was served on December 30, 2022. On January 19, 2023, Defendants E.I. du Pont de Nemours and Company filed a response to Plaintiff's January 10 letter challenging the privilege log. On January 18, 2023, Defendants filed its position statement regarding the challenged privileged documents (under seal). On February 10, 2023, Plaintiff filed its reply in support of its position statement (under seal).

On February 23, 2023, Plaintiff filed its notice of supplemental authority, and Defendant filed its response to same. On May 4, 2023, the court filed an Order regarding supplemental discovery. The court ordered E.I. DuPont to conduct a search for the documentation referenced in Plaintiff's April 10, 2023 letter and, to the extent such document(s) exists and is/are reasonably accessible, to produce any and all non-privileged, responsive documentation, that has not already been produced on or before June 1, 2023 and supplement its prior written discovery responses as necessary.

On April 24, 2023 several notices of deposition subpoenas were issued, including to the Ohio Department of Natural Resources, Ohio Environmental Protection Agency.

On July 21, 2023, a Stipulation related to discovery on fraudulent transfer claims was filed.

On July 31, 2023, an Amended Scheduling Order was filed, scheduling the trial in October, 2024, with a date not yet specified. The Court also filed an order granting, in part defendant's motion to compel and stating that plaintiffs must submit its expert report as scheduled, which must comply with the information sought by defendants.



On November 6, 2023, Plaintiff filed objections to Special Referee’s privilege recommendations on Challenged Documents (filed under seal). The First Report and Recommendation of Special Referee was filed on November 7, 2023 (filed under seal). Defendants objected to the Report and Recommendation of Special Referee on November 7, 2023.

A Consent Judgment was filed with the court on December 7, 2023. This case was settled/dismissed and terminated on December 8, 2023 and a final appealable order was filed on December 8, 2023.

On January 2, 2024, a Notice of Violation of Court Order and Motion to Reopen and Stay Effect of Consent Judgment to Allow Court-Ordered Process was filed with the court. Plaintiff filed its Response and Opposition to the notice on January 5, 2024.

On January 10, 2024, a Notice of Appeal to the Consent Judgment was filed by the Little Hocking Water Association (“LHWA”) to the Fourth District Court of Appeals (Case No. 24CA000001).

On January 12, 2024 (in Case No. 18OT000032), Little Hocking filed an amicus brief seeking ruling clarifying consent judgment and requiring public process for implementation. On May 2, 2024, the court filed an order denying all other relief requested in Little Hocking’s brief, both on the merits and because it lacked standing to see post-judgment relief under Civ.R. 60 and 70; and (2) denying all relief requested in the brief for the reasons set forth in plaintiff’s response thereto.

In Case No. 24CA000001, DuPont and others filed a motion to dismiss this appeal for lack of standing of LHWA. On January 22, 2024, LHWA filed an opposition to the motion to dismiss. On January 10, 2024, LHWA filed a motion to stay appeal and to remand to the trial court for consideration of its Rule 60(B) motion. DuPont and others opposed this motion. On February 21, 2024, the court denied the appellees’ motion to dismiss the appeal, and denied LHWA’s motion for stay of appeal and limited remand.

On March 8, 2024, LHWA filed its brief. On March 28, 2024, DuPont and the State of Ohio filed their briefs. On April 8, 2024, LHWA and filed its reply brief.

On June 14, 2024, oral argument was requested by the State of Ohio and also by DuPont on July 18, 2024. The court scheduled the oral argument for August 8, 2024. Oral argument occurred on August 8, 2024. The court of appeals has not issued a decision yet.

- *John Paganini v. The Cataract Eye Center of Cleveland*, Cuyahoga County Common Pleas Court, Case No. CA-24-113867

The Ohio Alliance for Civil Justice, of which the OMA is a leader, has been asked by the Ohio Hospital Association to participate as amicus curiae.



VIII. Tax Updates.

**Tax Updates**

**A. Selected Proposed Ohio Legislation**

*Regards taxpayer deductions for depreciation, enhancing expensing – H.B. 69*

Introduced on February 10, 2025, H.B. 69 proposes several amendments aimed primarily at simplifying tax deductions and enhancing efficiency for taxpayers/businesses in Ohio. It allows taxpayers to deduct the full bonus depreciation and enhanced expensing allowances in a single year, aligning state tax deductions with federal deductions. The bill also clarifies definitions related to qualifying investors and entities, ensuring consistent treatment with federal tax laws. The bill was referred to the Ways and Means Committee on February 12, 2025.

*Regards a property tax freeze for certain owner-occupied homes – S.B. 81*

Introduced on February 4, 2025, S.B. 81 proposes a reduction of real property taxes on a homestead owned and occupied by a person sixty-five years of age or older and whose total income does not exceed seventy thousand dollars. The bill was referred to the Ways and Means Committee on February 12, 2025.

*Regards total property tax exemption for homestead of totally disabled veterans and their surviving spouses – S.B. 92*

Introduced on February 10, 2025, S.B. 92 proposes to authorize a total property tax exemption for the homesteads of totally disabled veterans and their surviving spouses. The bill was referred to the Ways and Means Committee on February 12, 2025.

*Regards a non-refundable tax credit for handgun training and firearms storage – S.B. 96*

Introduced on February 10, 2025, S.B. 96 proposes a nonrefundable income tax credit for the cost of handgun training and firearms storage and locking devices. The bill was referred to the Ways and Means Committee on February 12, 2025.

*Regards a state income tax deduction for overtime wages – H.B. 39*

Introduced on February 3, 2025, H.B. 39 proposes a state income tax deduction for overtime wages for seven years after the year in which the amended is effective. The bill was referred to the Ways and Means Committee on February 5, 2025.

*Regards modification of the amount of the homestead exemptions and owner-occupancy property tax credit – H.B. 61.*

Introduced on February 5, 2025, H.B. 61 proposes to replace the standard homestead exemption with a flat property tax credit and replaces the enhanced homestead exemptions for disabled



veterans and surviving spouses of emergency responders with a flat property tax credit of \$1500. The bill was referred to the Ways and Means Committee on February 12, 2025.

*Regards a phase-down of state income tax to a flat rate of 2.75% over two years. S.B. 3*

Introduced on January 22, 2025, S.B. 3 proposes to phase-down the state income tax applicable to nonbusiness income to a flat rate of 2.75% over two years. For the 2025 taxable year, the bill reduces the rate of the top bracket from 3.5% to 3.125%. The bill was referred to the Ways and Means Committee on January 29, 2025.

*Regards a tax on certain high-volume landlords – S.B. 28*

Introduced on January 22, 2025, S.B. 28 proposes to implement a tax on taxpayer/landlords owning more than fifty “taxable houses” in one county. Taxable houses are single-family, two-family, or three-family dwellings. For purposes of funding S.B. 28, a levy is proposed entitled a “housing market impact tax” on each person owning fifty or more taxable houses in a county. The “housing market impact tax” is equal to two thousand dollars for each taxable house owned on the first day of each tax period. The bill was referred to the Ways and Means Committee on January 29, 2025.

## **B. Update to Previously Tracked Legislation**

*Revise Law Governing Property Taxes and County Auditors – H.B. 496*

H.B. 496 modifies the information a county auditor must certify in the process of submitting a property tax levy to voters. H.B. 496 also includes several administrative modifications to the process for challenging property taxes with the county board of revision (BOR). This bill is similar to and captures a portion of H.B. 33 that was removed before it went to a general vote. H.B. 496 was introduced on April 22, 2024, and referred to the Ways and Means Committee April 30, 2024. It passed the House on June 26, 2024 and was introduced to the Senate on July 2, 2024. It was referred to the Senate Ways and Means Committee on October 12, 2024. The Senate and the House passed H.B. 496 on December 18, 2024. On January 8, 2025 the Governor signed and the bill is effective as of April 9, 2025. A few key provisions of the legislation include: 1) Removing the requirement that county auditors must notify the county treasurer of any staff changes in the auditor’s office; 2) Requires property tax refunds to be refunded based on current tax rates and not rates effective when the tax was levied; and 3) Revises the law on injured and destroyed manufacturer homes by providing county auditors authority to complete the form for injured and destroyed manufactured homes on behalf of a property owner.

*Requiring employers to provide employee pay statements – H.B. 106*

H.B. 106 enacts section 4113.14 of the ORC to implement the Pay Stub Protection Act which requires employers to provide a written or electronic statement or access to a statement of the employee’s earning and deductions for each pay period on the employer’s regular paydays. If document or access is not provided, employee is to request such access or statement from employer. If employer fails to provide within 10 days of receiving employee notice, the employee



may submit a report of the violation to the Ohio Director of Commerce. On January 8, 2025, the Governor signed and the bill is effective as of April 9, 2025.

### **C. Judicial Actions**

*Kresevic v. Chittok*, Case No. CV-2023-01-0031, pending in the Summit County Court of Common Pleas, has been reactivated, with a pretrial hearing scheduled June 4, 2024. Another pretrial hearing was scheduled for December 10, 2024. *Kresevic* involves a medical assistant who worked in, and was subject to the municipal withholding taxes of the City of Akron was fired from her position in 2020. She successfully sued her former employer in a wrongful termination suit. However, the City of Akron withheld municipal income taxes from the settlement fund. The question raised by the plaintiff is whether the City of Akron is entitled to withhold taxes on the settlement under Section 29. More specifically, it asks whether Section 29 entitles a municipality to withhold from the settlement in a wrongful termination case.

*Rover Pipeline LLC c/o Energy Transfer L.P. v. Tax Commissioner of Ohio, et al.* BTA Case No. 2020-1540, Appeal to the Ohio Supreme Court, Case No. 2024-0484. *Rover* concerns a natural gas pipeline spanning across Appalachia, through Ohio and into Michigan. The case involves the proper valuation of the Ohio portion of Rover's pipeline as to Ohio's public utility personal property tax. *Rover* is appealing the decision by the Ohio Board of Tax Appeals in that the valuation method and calculation was incorrect. On May 2, 2024, The Ohio Supreme Court has referred this matter to mediation and suspended all deadlines at this time. On August 6, 2024, The Ohio Supreme Court returned the case to the regular docket. Appellant's merit brief was filed on October 7, 2024. On November 5, 2024, the Court issued a stipulation to extend time for the Appellee to file merit brief to November 26, 2024. A reply brief was filed on December 16, 2024 and a Motion for the Supreme Court to hear oral arguments. Oral arguments were granted on January 9, 2025, and oral arguments were scheduled for June 4, 2025.

#### **Appeal from the Board of Tax Appeals:**

*Aramark Corp., v. Harris*, Case No. 2023-1540, Ohio Supreme Court. On December 5, 2023, Aramark Corporation appealed the November 6, 2023, Decision of the Board of Tax Appeals ("BTA") (B.T.A. No. 2019-2975, 2023 WL 7431918 (Nov. 6, 2023)). In it, the BTA applied the *Stingray Pressure Pumping, LLC*<sup>1</sup> review standard and determined that Aramark Corporation ("Aramark") could not exclude certain taxable gross receipts under the agency exception to the Commercial Activity Tax ("CAT") because it failed to demonstrate that transactions arose from an agency relationship between Aramark and its clients and were not simple business transactions.

The matter was fully briefed as of April 22, 2024, and is pending decision. On October 9, 2024, the Court scheduled oral arguments to be held on February 19, 2025.

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<sup>1</sup> *Stingray Pressure Pumping, LLC v. Harris*, Slip Op. No. 2023-Ohio-2598 (Aug. 2, 2023).



**D. Administrative Actions**

*Ohio Administrative Code 5703-29-16: Clarification of the exclusion for qualifying distribution center receipts for purposes of the Commercial Activity Tax (CAT). Final and Effective November 22, 2024.*

The tax commissioner provided additional guidance as to the conditions which must be met (along with conditions specified in Section 5751.40 of the ORC) to be certified as a “qualified distribution center, a warehouse, a facility similar to a warehouse, or a refining facility.” Abbreviated version: 1) The operator of the warehouse, a facility similar to a warehouse, or the refining facility and members of the operator’s consolidated elected taxpayer group, had at least five hundred million dollars in cumulative costs from qualified property delivered to a distribution center by its suppliers during the qualifying period; and 2) The operator of such warehouse, a facility similar to a warehouse, or a refining facility had more than fifty per cent of the cost of the qualified property shipped to a situs outside Ohio under the provisions ORC 5751.0333 during the qualifying period.

**To: OMA Government Affairs Committee**  
**From: Lindsey Short**  
**Re: Energy Public Policy Report**  
**Date: February 27, 2025**

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## **Overview**

Within the first few months of the year, there has been a flurry of activity on House and Senate energy priority bills, House Bill 15 and Senate Bill 2. New legislative leadership in both chambers have united to push this major reform initiative that has garnered attention from many supporters and interested parties, including the OMA. It is expected that these bills will move quickly through the legislature with the goal of getting this legislation signed before the members go on their summer recess in July. See details of proposed legislation in legislative update section below.

In addition to these bills, there are also significant energy policy changes contained within the Governor's proposed state operating budget, which has recently been introduced in the House. Meanwhile at the Public Utilities Commission of Ohio, a case remains pending that will decide how rates are applied to certain energy-intensive users.

With many different initiatives moving quickly, it is more important than ever for manufacturers to remain informed on proposed legislation and regulatory decisions impacting the industry. Attend the March 13 OMA Energy Committee meeting to learn more.

## **Wrap-Up of Last General Assembly**

During the remaining days of the last legislative session, members of the General Assembly were pushing hard to get their bills across the finish line. On the energy policy front, House Bill 79 was a piece of legislation that was heavily debated and ultimately did not become enacted into law. This bill would have effectively given utilities control of competitively owned renewable energy and partially restored the House Bill 6 decoupling giveaway with "lost distribution recovery."

The OMA testified to express concern with the proposal in December, raising many points of contention with the bill and the effects it would have on the manufacturing industry.

While the legislature had evaluated several different electricity ratemaking proposals both in the House and Senate, none of those bills received votes on the floor in either chamber prior to the end of the General Assembly. That topic is now being reviewed through both House Bill 15 and Senate Bill 2 this year.

## **Legislative Committee Changes**

As the 136<sup>th</sup> General Assembly begins, the structure and leadership of the energy committees in both chambers has changed. The House previously operated the Energy and Natural Resources Committee and the Public Utilities Committee. This year, the committees have been updated to include Energy Committee and Natural Resources Committee. House Energy Committee has new leadership with Representative Adam Holmes (R-Nashport), serving as the Chairman. Representative Don Jones (R-Freeport) is serving as the Natural Resources Committee Chairman.

Over in the Senate, the upper chamber had previously operated the Senate Energy and Public Utilities Committee, which has now been separated out into two different committees. Senator

Brian Chavez (R-Marietta) serves as the Chairman of the Energy Committee, which is currently tasked with evaluating the major reform bill, Senate Bill 2. Senator Shane Wilkin (R-Hillsboro) has been selected to serve as the chair of Public Utilities Committee.

### **Former Speaker Householder Asks for Appeal**

Earlier this month, attorneys for former Ohio Speaker of the House Larry Householder made their arguments to an appeals court panel in attempt to overturn his racketeering conviction. Householder is currently serving a 20-year prison sentence for his role in orchestrating the largest bribery scandal in Ohio history.

Meanwhile, the United States Attorney for the Southern District of Ohio who previously took Householder to trial, Ken Parker, has been fired from his position by the Trump administration. U.S. attorneys are nominated by the president and confirmed by the U.S. Senate, and often move on when a change in administrations occurs.

### **Proposed Tariff on Energy Intensive Customers**

Hearings occurred at the Public Utilities Commission of Ohio in January on AEP Ohio's proposed tariff on data centers. AEP Ohio, which has a legal obligation to serve customers in a non-discriminatory manner, started the controversy with a self-imposed and unapproved moratorium on new data center development in Ohio.

Through their proposed tariff, AEP Ohio seeks to establish a new rate class for energy intensive customers, specifically data centers. The proposal would create two new classes of customers without evidence of need and without a proper cost of service study, setting a discriminatory precedent against one business type.

The OMA Energy Group has opposed this proposal, cautioning against a potential "slippery slope" precedent that could be set to penalize energy intensive users. Competitive markets will best deliver the necessary generation supply.

Briefs are due this week and reply briefs will be due in April.

### **Legislation Watch List**

Details on energy proposals of note below:

- **House Bill 15**

Hearings began quickly on the House's energy priority legislation this winter. Speaker Huffman has noted that the bill focuses not just on energy generation, but returning the public utility system to what it was intended to be.

This bill contains many components, including:

- Transferring the Tangible Property Tax from generation facilities to the transmission and distribution systems
- Repeal of the electric security plan (ESP) mechanism that has long been used to add above-market charges to customer bills
- Repeal the "legacy generation resource" mechanism lawmakers previously used to extend Ohio Valley Electric Corp. cost recovery through House Bill 6
- Prohibit electric distribution utilities from owning generation or bidding into wholesale markets using ratepayer funds

- Establish a Consumer Choice Billing Program under the PUCO that permits competitive suppliers to consolidate billing for retail services

The OMA testified in support of HB 15 earlier this month. While the OMA supported many of the bill's provisions, more can be done to help increase the benefits of competition. More transparency on the true costs and effectiveness of utilities' transmission system improvements is needed, as well as the creation of "heat maps" to show where Ohio's transmission grid network is over or underused, allowing businesses to expand where there is surplus capacity.

- **House Bill 96**

House Bill 96 is the state operating budget bill. Language contained in HB 96 would create virtual net-metering for mercantile customers (electricity customers that use more than 700,000 kWh annually, about \$150k annual electric bill). The provision would require electric distribution utilities to credit these customers for generation of renewable energy or dispatchable green energy that is located within the electric distribution utility's territory. Virtually net-metered customers would not be credited for distribution or transmission costs. Dispatchable green energy would include natural-gas fired generation and possibly nuclear generation.

Mercantile customers can currently create bilateral agreements with natural gas, nuclear, and renewable energy generation through their retail electric supplier, so it is unclear why this virtual net metering provision is needed. However, combined with another provision of HB 96, it could allow electric distribution utilities back into the generation market.

Additionally, HB 96 would expand a little-known loophole from the notorious HB 6 that is still in law. The loophole allows electric distribution utilities to gain a foothold in the competitive generation market by constructing behind-the-meter renewable generation for mercantile customers, so long as the electric utility directly contracts with the customer and passes no costs on to other ratepayers. Electric utilities, which also manage customer-sited generation interconnection processes, thus compete and gate-keep with competitive generation providers behind-the-meter.

The HB 96 provision would expand this loophole to allow electric distribution utilities to construct a "green energy resource", recently redefined to include natural gas and nuclear generation, on behalf of a mercantile customer or group of customers, without the customer-sited requirement. This provision, combined with the virtual net-metering provision in the same bill, would allow for example an electric utility to construct a natural gas-fired power plant for select customers.

- **Senate Bill 2**

The Senate priority legislation largely mirrors House Bill 15, but with some notable differences. Additional pro-customer provisions include refunds of PUCO-approved utility charges to customers that the Supreme Court has found to be unlawful, as well as language stipulating that if the PUCO finds a charge unreasonable, a refund shall be given.

However, SB 2 also contains concerning language allowing electric utilities to forecast test years in rate cases and water down important used and useful consumer protections. The OMA has asked for these provisions to be eliminated.

The OMA has also requested that the language currently contained in the bill authorizing mini rate cases should be more clearly defined and include transmission programs that provide important economic development tools to manufacturers to reduce costs and alleviate grid constraints during peak periods.

- **Senate Bill 103**

Senate Bill 103 was recently introduced and referred to Senate Public Utilities Committee. The bill provides for alternative rate plans for some natural gas companies and contains many concerning provisions that will benefit utilities at the expense of customers, such as:

- States that the Public Utilities Commission (PUCO) can only consider a settlement if the utility supports the settlement
- Allows gas companies to propose partially or fully forecasted test periods
- Erodes customer protections by changing what is deemed used and useful

Attend the March 13 OMA Energy Committee find out more.

- **Utility Related Services After Metered Point of Delivery**

Last year, a bill was introduced to exempt submeterers and billing agents in apartment complexes from being considered a public utility. It also prohibited the PUCO from adopting rules that allow utilities to prevent submetering except for safety and reliability reasons.

A similar piece of legislation was introduced recently, Senate Bill 108, and has been referred to Senate Public Utilities Committee.

- **Carbon Capture and Storage**

During the previous General Assembly, members in the House and Senate worked on legislation to regulate carbon capture and storage technologies. While these bills did not get passed last year, policymakers in both chambers have recently indicated their interest in picking this topic back up for consideration this year.

- **Virtual Net Metering**

Last year, the Senate Energy and Public Utilities Committee began review of Senate Bill 275, which would have established mechanisms for virtual net-metering of distributed electric generation on brownfields. The OMA had provided support for the intention of the bill, while also recommending that language be added to ensure that the savings accrued by the project would go back to the customer whose investment produced the savings.

It is likely this bill will resurface again during this session, as the previous version did not pass prior to the General Assembly concluding in December.

## **Energy News**

[Click here for Energy Community articles from previous Leadership Briefings](#)

## Energy Legislation

Prepared by: The Ohio Manufacturers' Association  
Report created on February 25, 2025

- HB15**      **ELECTRIC SERVICE LAW CHANGES** (KLOPFENSTEIN R) To amend the competitive retail electric service law, make changes regarding electric company property taxation, and repeal parts of H.B. 6 of the 133rd General Assembly.  
*Current Status:* 2/26/2025 - House Energy, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-15>
- HB66**      **REPEAL LEGACY GENERATION RESOURCE PROVISIONS** (BRENNAN S, DEAN L) To repeal the legacy generation resource provisions of H.B. 6 of the 133rd General Assembly and provide customers refunds.  
*Current Status:* 2/12/2025 - Referred to Committee House Energy  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-66>
- HB96**      **OPERATING BUDGET** (STEWART B) To make operating appropriations for the biennium beginning July 1, 2025, and ending June 30, 2027, to levy taxes, and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 2/27/2025 - House Children and Human Services, (Sixth Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-96>
- SB2**      **INTENT-ELECTRIC GRID IMPROVEMENTS** (REINEKE W) It is the intent of the General Assembly to provide increased power generation and improved affordability and reliability for Ohio's electric grid.  
*Current Status:* 2/25/2025 - **SUBSTITUTE BILL ACCEPTED**, Senate Energy, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-2>
- SB99**      **MAKE CHANGES-PUCO NOMINATING COUNCIL, PROCESS** (HICKS-HUDSON P, DEMORA B) To make various changes to the Public Utilities Commission nominating council and nomination process.  
*Current Status:* 2/12/2025 - Referred to Committee Senate Public Utilities  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-99>
- SB103**      **MAKE CHANGES-VALUATING NATURAL GAS PROPERTY** (WILKIN S) To serve large load customers and to make changes to the process of valuating natural gas company property.  
*Current Status:* 2/19/2025 - Referred to Committee Senate Public Utilities  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-103>
- SB106**      **REGULATE OWNERSHIP-EV CHARGING STATIONS** (REINEKE W) To regulate the ownership of electric vehicle charging stations.  
*Current Status:* 2/19/2025 - Referred to Committee Senate Public Utilities  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-106>

- SB108**      **EXEMPT BEHIND THE METER UTILITIES (BRENNER A)** To exempt from regulation as a public utility certain persons or entities providing behind-the-meter utility services and to allow the Public Utilities Commission to register providers of such services.  
*Current Status:* 2/19/2025 - Referred to Committee Senate Public Utilities  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-108>
- SB116**      **REDUCE PROPERTY TAX ASSESSMENT-PIPELINE COMPANIES (LANG G)** To reduce the tangible personal property tax assessment rate for pipe-line companies.  
*Current Status:* 2/25/2025 - Introduced  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-116>
- SCR2**      **URGE CONGRESS, GOVERNOR-ELECTRIC GRID INVESTMENT (JOHNSON T)** Urging Ohio electric utility stakeholders, the Governor, and the Congress of the United States to invest resources into the security, reliability, and resiliency of the state and national interconnected electric grids against natural and man-made threats.  
*Current Status:* 2/11/2025 - Senate Energy, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SCR-2>



**Senate Energy Committee**

**Senate Bill 2 Proponent Testimony**

**Tim Ling**

**Corporate Environmental Director**

**Plaskolite, LLC**

**February 18, 2025**

Chairman Chavez, Vice Chair Landis, Ranking Member Smith, and Members of the Senate Energy Committee, thank you for the opportunity to testify today as a proponent of Senate Bill 2.

My name is Tim Ling and I serve as the Corporate Environmental Director for Plaskolite, LLC., a global thermoplastic sheet manufacturer based here in Columbus with over 400 employees throughout Ohio. I stand before you today to testify on behalf of the Ohio Manufacturers' Association, of which my company is a longtime member.

For almost twenty-five years, Ohio has operated a competitive electric generation market, allowing customers to choose their power suppliers. This model has led to lower wholesale electricity prices, the replacement of outdated power plants, and advancements in technology. Ohio should stay the course with competitive markets while instituting common-sense policy reforms to expand competition and free markets.

Access to reliable and affordable electricity is a significant issue for manufacturers, both of which can impact their ability to compete in the industry. Because the cost of electricity is a major expense for energy-intensive manufacturers, manufacturers are keenly interested in public policies that will drive lowest-cost energy resources and solutions. Ohio's transition to a competitive market for electricity has produced many well documented successes that support that objective. For example:

- Between 2011 and 2018, business and residential customers in Ohio have saved approximately \$24 billion, with an expected additional \$3 billion per year in savings going forward.
- Seven new gas-fired power plants have been constructed in Ohio since 2017, while four additional plants are approved for construction by the Ohio Power Siting Board. This represents more than 9,700 megawatts of new, competitive gas-fired power generation in Ohio. And, reserve margins are currently around 22 percent.

In other words, electric competition is working as intended. Increased choices and savings have served customers well.

Nonetheless, with Senate Bill 2, we have an opportunity to produce even better results. Current law contains a number of ratemaking provisions that are anti-competitive, unnecessarily costly for customers, and bad for Ohio's economy. Many of these anti-competitive provisions became law through Senate Bill 221, passed in 2008, and today represent a serious threat to the benefits of competition that we currently enjoy.

For example: Electric Security Plans (ESPs) permitted under Senate Bill 221 in 2008 were to be a temporary mechanism to bridge Ohio's move from the traditional monopoly market to the free market for electricity - which was achieved in May 2015 - after which the Ohio utilities were to operate completely under free electric markets. It's now 10 years beyond when these ESPs were to be in place, yet they still continue, and have made it possible for utilities to secure approval from the Public Utilities Commission of Ohio (PUCO) to charge customers above-market charges through unwarranted non-bypassable riders.

They have truly outlived their stated purpose, and are now simply a costly mechanism to add above-market charges to customers' electric bills, increasing Ohio's electric costs. They are not needed, in any real technical or economic sense, to ensure reliable electric service in Ohio. It's time for ESPs to go away, and to let the free electric markets operate as originally intended with the passage of deregulation

How much money are we talking about with these ESP charges? The Office of the Ohio Consumers' Counsel has documented more than \$15.3 billion in PUCO-approved, above-market electric utility charges since 2000. Those costs have been paid by customers of the four Ohio electric utilities.

This begs the question: Why should manufacturers – or any business for that matter – be forced to pay what amounts to unjustifiable energy “taxes” at a time when competitive electricity markets should be producing lower electric bills?

Senate Bill 2 will help protect electric customers by addressing unfair, anti-consumer provisions embedded in current law that cost customers billions of dollars. By eliminating language in current law that permits utilities to file ESPs, the bill also will eliminate above-market charges that those plans allow.

Senate Bill 2 also includes repeal of the subsidies authorized in 2019 under House Bill 6 that customers are presently forced to pay to provide hundreds of millions of dollars to two 1950s-era coal plants owned by the Ohio Valley Electric Corporation. While the OVEC power plants can run economically, they do not typically make enough profit to cover the costs of their debt payments. Additionally, OVEC chooses to run at times when the plants lose money in the market. As a result, OVEC charges its electric utility sponsors - including AEP Ohio, AES Ohio, and Duke Energy Ohio - for the remaining costs.

OVEC's losses would directly eat into the profits of those electric utilities. But to protect their profits, the Ohio electric utilities have been successful at passing those losses on

to Ohioans. The Ohio utilities were successful in obtaining customer paid subsidies from the PUCO through ESPs, and then as part of the corrupt House Bill 6. Given that the sponsoring companies of OVEC have a signed agreement to operate the plants through 2040 and that OVEC receives payments from PJM to provide power capacity, the plants are planned to stay open even with the repeal of the customer-funded subsidies.

Ohioans have already paid over \$670 million in total subsidies to OVEC's utility owners since 2017. Based on historical and predicted future electricity prices, it is estimated Ohioans could subsidize OVEC's utility owners over \$1.1 billion total by 2030, all of which directly profits utility shareholders. The OMA agrees that the subsidies for OVEC should end, but believes that they should end immediately.

Additionally, while this bill addresses many other key energy policy components, there is more that can be done to protect customers. For example:

1. The OVEC subsidies could be refunded back to customers.
2. The unused solar subsidies (estimated to be approximately \$60 million) could also be refunded to customers.
3. The provision authorizing mini rate cases could be more clearly defined and should include transmission programs that provide important economic development tools to manufacturers to reduce costs and alleviate grid constraints during peak periods.
4. The provisions allowing electric utilities to forecast test years in rate cases and water down important used and useful consumer protections should be eliminated.

Moreover, in Ohio and other states, transmission costs are on the rise, and at a dangerous clip. While all customers benefit from useful upgrades to the grid that make it more resilient, there is good reason to question the efficacy of recent utility transmission spending, most of which emanates from so-called "supplemental" projects, which receive little regulatory oversight. Astoundingly, Ohioans are paying about \$1 billion per year for transmission improvements without proof that it is improving our system reliability or increasing transmission capacity in order to deliver power.

Ohio could lower electricity costs by encouraging new businesses to locate where transmission infrastructure exists. This would spread out the billions of dollars of new transmission costs Ohio businesses have already paid. For example, a heat map of the electric system would allow customers to more timely determine where they can locate on the grid without extensive infrastructure upgrades. It would also allow power

generators to know where system constraints are located that would benefit from co-located generation. Increasingly, competitive power generation is co-located near load, whether connected to the transmission system, the distribution system level, behind-the-meter, or as a microgrid.

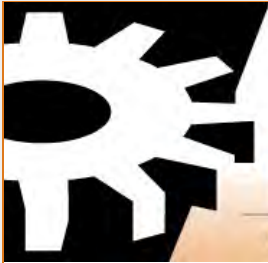
These changes and additions presented here will enable Ohio consumers to avoid many unnecessarily high charges, leaving more money in residential consumers' pockets and reducing business operating costs, which protects and creates Ohio jobs. Our suggestions can make our state economy stronger and more competitive with businesses in other parts of the United States -- and the world.

Mr. Chairman and members of the committee, that concludes my testimony. The OMA thanks the bill sponsor for his leadership on Senate Bill 2 and looks forward to working with this committee as this legislation is being considered. I am joined by OMA's Energy Engineer, John Seryak. We will try to answer any questions that you may have.

**RELEASE: Ohio Manufacturers Urge Energy Bill Improvements**

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## PROTECTING & GROWING OHIO MANUFACTURING

**For Immediate Release:**

# Ohio Manufacturers Urge Energy Bill Improvements

Ending ESPs, Increased Transparency, Heat Maps will Save Billions, Attract Jobs

(COLUMBUS, OH) – Ohio manufacturers today urged the Ohio House Energy Committee to protect and improve competition in the generation and delivery of electricity in Ohio, saving consumers billions and helping attract and keep jobs in Ohio.

“Changes are needed to continue to improve Ohio’s energy industry for consumers and employers alike,” said Lindsey Short, managing director of energy and advocacy services at the Ohio Manufacturers Association. “Especially the elimination of Electric Security Plans (ESPs) created by House Bill 6, allowing utilities to charge Ohio customers above-market rates. Since 2000, energy experts have documented more than \$15.3 billion in PUCO-approved, above-market electric utility charges based on ESPs.”

To increase the benefits of competition, the Manufacturers also urged:

- The creation of energy “heat maps” that show where Ohio’s transmission grid network is over- or under-used, allowing businesses to expand where there is surplus capacity or install “micro-grid” generation assets where there is less energy available for new customers
- More transparency on the true costs and effectiveness of utilities’ transmission system improvements which currently add about \$1 billion per year to consumers’ bills
- An immediate end and refund of House Bill 6’s subsidies to OVEC’s inefficient and expensive coal burning power plants that will cost Ohio consumers more than \$1.1 billion by 2030.

“These changes will save money for residential Ohio consumers and help all Ohio businesses compete, keeping and adding jobs that strengthen our entire Ohio economy,” Short concluded.

Competition introduced in 2001 now saves Ohio electric consumers \$3 billion a year and has led to the construction of seven new gas-fired Ohio power plants since 2017, with

four more plants approved and headed towards construction, increasing Ohio's back up electric resources to 22% of capacity, a healthy buffer in case of sudden demand spikes.

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*The Ohio Manufacturers' Association is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than \$133 billion annually to the economy. Visit [ohiomfg.com](http://ohiomfg.com), or follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [YouTube](#).*

**Tom Evans**

Director, Communications and Marketing

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The Ohio Manufacturers' Association  
33 North High Street | Columbus, OH 43215

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To update your OMA profile and email preferences, please [click here](#).



To: The Ohio Manufacturers' Association

From: John A Seryak, PE, Charles Schreier, PE, Marah Halper

## House Bill 6's OVEC Power Plant Subsidies Will Cost Ohio Ratepayers Another \$80.6 Million in the First Half of 2025

### Key Points

- Ohio's electric utilities forecast that the OVEC coal-fired power plants are to lose \$53.9 Million in the first half of 2025.
- Utilities will recover an additional \$26.8 Million in the first half of 2025, a true-up from unexpected losses in the first half of 2024. This brings the total to \$80.6 million in just the first half of 2025.
- Through the first half of 2025, Ohioans are set to have paid nearly \$670 million in total subsidies to OVEC's utility owners since 2017.
- Based on historical and predicted future electricity prices, we estimate Ohioans could subsidize OVEC's utility owners over \$1.1 billion total by 2030, all of which directly profits utility shareholders.

### Summary

The Ohio General Assembly passed House Bill 6 (HB6) in July 2019. HB6 is the subject of what is called Ohio's "largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio."<sup>1</sup> The fallout has included an electric utility admitting to bribing public officials for favorable acts and a jury finding Former Ohio House Speaker Larry Householder and lobbyist

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<sup>1</sup> "Ohio bribery case: Larry Householder, others charged by fed prosecutors", July 21, 2020.  
<https://www.cincinnati.com/story/news/2020/07/21/ohio-bribery-case-state-official-charged-federal-prosecutors/5477862002/>

Matt Borges guilty of racketeering conspiracy.<sup>2</sup> The former Chair of the Public Utilities Commission of Ohio was also indicted<sup>3</sup>. Related investigations are still ongoing.<sup>4</sup>

Since Mr. Householder's arrest, the Ohio General Assembly has repealed several costly components of HB6, including a subsidy to Ohio's nuclear plants<sup>5</sup> and a difficult to understand "decoupling" policy that would've cost Ohioans hundreds of millions of dollars.<sup>6</sup> These provisions provided unearned benefits to FirstEnergy and its affiliates at the time. FirstEnergy has admitted to bribing public officials for its benefit,<sup>7</sup> which included donating to Generation Now, a "dark money" 501(c)4 political action committee controlled by Mr. Householder, in exchange for official action on legislation.<sup>8</sup> Generation Now has also plead guilty to racketeering conspiracy.<sup>9</sup>

While FirstEnergy's involvement with Generation Now has received the most attention, electric utility AEP and coal companies also donated to Mr. Householder's PAC<sup>10</sup> and received favorable legislative outcomes in HB6. Here's how:

- HB6 created a "legacy generation rider" which offsets an AEP subsidiary's (AEP Ohio) financial losses from its ownership stake in the Ohio Valley Electric Corporation (OVEC) coal-fired power plants. The rider also offsets losses for AES Ohio and Duke Energy Ohio.

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<sup>2</sup> "Jury convicts former Ohio House Speaker, former chair of Ohio Republican Party of participating in racketeering conspiracy", March 9, 2023.

<https://www.justice.gov/usao-sdoh/pr/jury-convicts-former-ohio-house-speaker-former-chair-ohio-republican-party>

<sup>3</sup> <https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2024/Former-PUCO-Chairman-Former-FirstEnergy-Executives>

<sup>4</sup> "Request of the United States Attorney, Southern District of Ohio, to stay all discovery in these proceedings for a period of six months", In the Matter of the 2020 Review of the Delivery Capital Recovery Rider of First Energy, Case No. 20-1629-EL-RDR.

<sup>5</sup> "Amended Substitute House Bill 6 and the Nuclear and Renewable Generation Funds - Impact to Manufacturers", <https://www.ohiomfg.com/wp-content/uploads/Am-Sub-HB-6-Impact-to-Manufacturers-8.19.19-1.pdf>

<sup>6</sup> "H.B. 6 Decoupling Provision - \$355 Million for FirstEnergy through 2024, Possibly Millions More", August 17th, 2020. <https://www.ohiomfg.com/wp-content/uploads/HB-6-Decoupling-8.17.20.pdf>

<sup>7</sup> Deferred Prosecution Agreement, At the United States District Court, Southern District of Ohio, Western Division, Case No. 1:21-cr-86, [https://www.scribd.com/document/516865597/FirstEnergy-Deferred-Prosecution-Agreement#from\\_embed](https://www.scribd.com/document/516865597/FirstEnergy-Deferred-Prosecution-Agreement#from_embed)

<sup>8</sup> "FirstEnergy charged federally, agrees to terms of deferred prosecution settlement." July 22, 2021

<https://www.justice.gov/usao-sdoh/pr/firstenergy-charged-federally-agrees-terms-deferred-prosecution-settlement>

<sup>9</sup> "Purported 501(c)4 admits to being used to conceal corrupt payments related to passage of legislation." February 19, 2021

<https://www.justice.gov/usao-sdoh/pr/purported-501c4-admits-being-used-conceal-corrupt-payments-related-passage-legislation>

<sup>10</sup> "Columbus utility giant AEP funded dark money spending in HB 6 campaign", July 25, 2020,

<https://www.dispatch.com/story/news/politics/state/2020/07/25/columbus-utility-giant-aep-funded-dark-money-spending-in-hb-6-campaign/41843419/>; see also "Householder case: 'Company C' CEO Wayne Boich gave cash to HB 6 'dark money' groups", August 5, 2020

<https://www.dispatch.com/story/news/politics/state/2020/08/05/householder-case-lsquoocompany-crsquo-ceo-wayne-boich-gave-cash-to-hb-6-lsquodark-moneysquo-groups/112806486/>

- After ratepayers pay for OVEC's net operating expenses, AEP and other utilities stand to book more than a billion dollars in additional profit due to HB6.
- Moreover, until recently, OVEC bought high-priced coal from Resource Fuels, an affiliate of coal donors of Generation Now,<sup>11</sup> resulting in millions of dollars of higher coal costs. OVEC did not pay these high prices to another coal supplier that sold the exact same coal mined from the exact same coal seam.<sup>12</sup> Higher coal costs are ultimately recovered through subsidies from Ohio's electric ratepayers.

To be clear, these companies have not been charged with a crime in the bribery scheme.

Facing a forecast of low electricity prices, substantial debt, and looming environmental compliance costs of its OVEC sponsorship and ownership, AEP Ohio, AES, and Duke are escaping the discipline of their choice to operate OVEC in competitive markets by foisting financial losses on to their own customers.

Despite all of this, House Bill 6's Legacy Generation Rider remains law absent action by Ohio's General Assembly.

### **A Costly Reminder: Ohioans Have Paid ~\$670 million in OVEC Subsidies**

The OVEC power plants do not typically make enough profit to cover the costs of their debt payments. As a result, OVEC charges its electric utility sponsors - including AEP Ohio, AES Ohio, and Duke Energy Ohio - for the remaining costs. OVEC's losses would otherwise directly eat into the profits of the electric utilities. So, to protect their profits, the Ohio electric utilities have repeatedly requested subsidies from their own customers to cover the losses, first at the Public Utilities Commission of Ohio, and then as part of the corrupt HB6. Recent utility filings show that OVEC is forecasted to lose about \$53.7 million in the first half of 2025, as shown in Table 1.

**Table 1: Utility Forecast of OVEC Losses in 2025, January through June<sup>13</sup>**

<b>Projected OVEC NET COSTS (6 Months)</b>	
<b>FE</b>	N/A
<b>Duke</b>	\$ 15,697,656
<b>AES</b>	\$ 7,289,260
<b>AEP</b>	\$ 30,778,011
<b>Total</b>	\$ 53,764,927

<sup>11</sup> Resource Fuels corporate reinstatement with Florida Secretary of State:  
<https://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2008%5C1106%5C40703224.tif&documentNumber=M05000001011>

<sup>12</sup> Direct Testimony of John A. Seryak on Behalf of The Ohio Manufacturers' Association Energy Group, In the Matter of the Review of the Power Purchase Agreement Rider of Ohio Power Company for 2018, Case No. 18-1004-EL-RDR.

<sup>13</sup> In the Matter of the Application of the Ohio Power Company Updated Legacy Generation Rider, PUCO Tariff No. 20, Case No. 20-1118-EL-RDR.

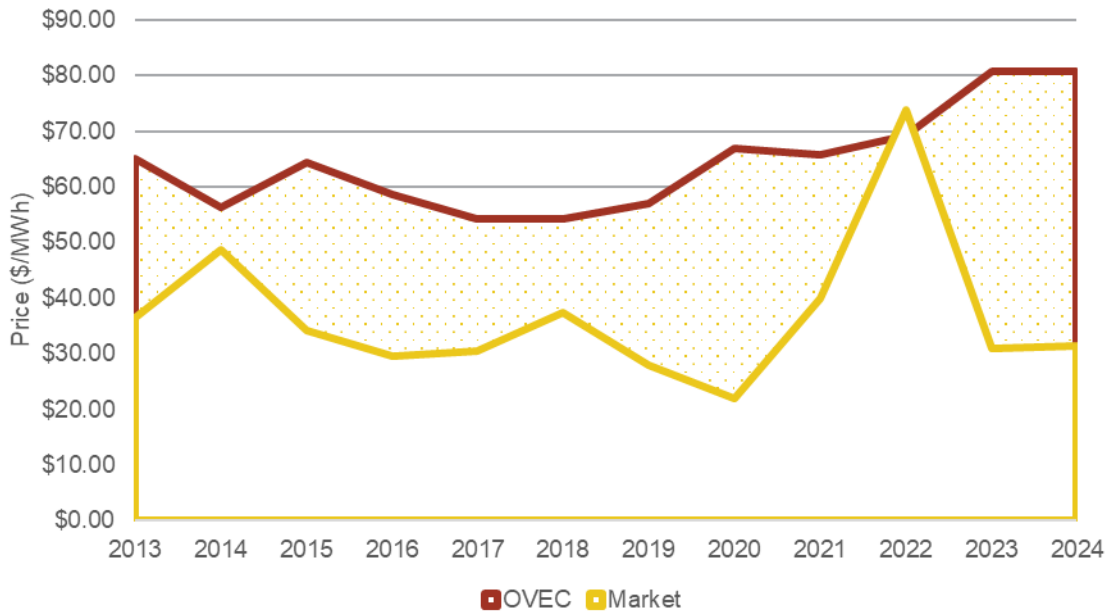
While OVEC is projected to lose \$53.7 million in the first half of 2025, the rates they have submitted for this period total \$80.6 million dollars. The reason for this is that the utilities forecasted costs they will bill to ratepayers need to be increased to account for the actual losses that occurred during previous periods. Our understanding is that any difference in actual costs, above or below the forecast, is recovered the following year during the same biannual period. In this case, the inaccuracy of utility forecasts for January to June of 2024 amounted to \$26.7 million dollars below what was required. Their forecast at that time was only 65% of the eventual amount they needed to recover.

In one of our previous memos we summarized how customers received credits during the first half of 2023 due to a revenue collection true-up from 2022, when electricity prices were high. However, based upon actual revenue recovery for the first half of 2023, these plants were operating at a loss. The OVEC plants have continued to operate at a loss since then.

OVEC's average weighted price of generating electricity ranges between \$55 - \$78 /MWh based upon their annual reports. At these prices, OVEC is typically a market loser, resulting in financial losses. Figure 1 shows OVEC's price of electricity versus the market price of electricity, demonstrating that 2022 was an anomaly.<sup>14</sup> The OVEC prices for 2024 are estimated due to lack of available information for these periods at the time of this report.

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<sup>14</sup> The OVEC and PJM prices include Energy and Capacity. Energy price is the PJM Day-Ahead AEP Zone load-weighted LMP price. Capacity price is the PJM Final Zonal Net Load Capacity Price for the AEP Zone. We assume OVEC had all of its 2,350 MW clear the capacity auction. Prices do not include Ancillary Services because OVEC does not attempt to sell them into PJM currently.



**Figure 1: OVEC Price Compared to Market**

As shown in Table 2, we estimated the future average costs of OVEC based upon the average of the full history of LGR cost history. Biannual costs are captured in the LGR rider Part A, which were compiled using PUCO filings and information directly obtained from the PUCO. Ohio's utilities have charged Ohio electricity customers about \$90 million per year on average to go towards OVEC's revenue since the inception of House Bill 6. We will use this average annual cost to estimate potential future charges to Ohio ratepayers for OVEC.

**Table 2: Estimate of Future OVEC Losses<sup>13</sup>**

<b>Period</b>	<b>Future year cost/credit estimate</b>	<b>OVEC Subsidy</b>
2020 1st and 2nd Quarter		\$33,301,097
2020 3rd and 4th Quarter		\$38,116,453
2021 1st and 2nd Quarter		\$76,748,128
2021 3rd and 4th Quarter		\$67,243,881
2022 1st and 2nd Quarter		\$35,317,425
2022 3rd and 4th Quarter		(\$7,077,155)
2023 1st and 2nd Quarter		(\$30,173,251)
2023 3rd and 4th Quarter		\$10,128,656
2024 1st and 2nd Quarter		\$97,113,199
2024 3rd and 4th Quarter		\$93,930,443
2025 1st and 2nd Quarter		\$80,668,047
<b>LGR Part A Biannual Average (Jan 2020 - June 2025)</b>		<b>\$45,028,811</b>
<b>Estimated Annual OVEC Revenue (\$/Year)</b>		<b>\$90,057,622</b>

At these losses, the OVEC subsidy bill could total over \$1.1 billion through 2030, as shown in Table 3.<sup>15</sup>

<sup>15</sup> 2017-2020 subsidy estimates here: "While HB 6's Remaining Provisions Are Debated, Subsidies to Ohio Utilities Double to \$150M Annually for Two Aged Coal Plants," <https://ohiomfg.informz.net/ohiomfg/data/images/OVEC%20Subsidies%20Double%20-%2009.28.21.pdf>

**Table 3: Annual OVEC Subsidy Collection from Ohioans<sup>16</sup>**

Year	Subsidies to OVEC (\$)	Subsidy Granted By
2017	\$42,868,858	PUCO
2018	\$27,447,386	PUCO
2019	\$85,136,721	PUCO
2020	\$89,571,982	HB6
2021	\$143,992,009	HB6
2022	\$28,240,270	HB6
2023	(\$20,044,595)	HB6
2024	\$191,043,642	HB6
2025	\$80,668,047	HB6
<b>Total To Date</b>	<b>\$668,924,320</b>	
Q3 2024-2030	\$405,259,301	HB6
<b>Total through 2030</b>	<b>\$1,074,183,621</b>	

## Future Risks

The OVEC power plants are struggling by many measures. In addition to losing money most of the time, uncertainty of OVEC coal contracts, the potential for environmental compliance costs, and debt liabilities through 2040 all pose additional costs. Moreover, its power output may not even be needed at peak times.

- Coal contracts - The need to regularly renegotiate coal contracts amidst uncertainty of coal markets leaves uncertainty in the potential for increasing costs.
- Environmental compliance - OVEC's Clifty Creek power plant in Indiana is subject to the US Environmental Protection Agency's (EPA) Coal Combustion Residuals (CCR) regulation. The CCR rule could force Clifty Creek to close its coal ash waste holding ponds. OVEC has stated that they may need to cease operations if the EPA enforces the CCR rule until it can build another waste handling system on site, a low-volume water treatment system (LVWTS). The costs of the LVWTS and any other environmental remediation will create additional operating costs for OVEC, which will be passed on to Ohio ratepayers.
- Debt - While HB 6 is silent on OVEC subsidies after 2030, AEP Ohio, AES Ohio, and Duke Energy Ohio have agreed to contractual commitments to maintain and operate the plants through 2040 via an inter-company power agreement (ICPA) and have debt payments due through 2040. If Ohio's electric utilities change course and look to cut future losses by closing the OVEC plants, there is still a risk that they will seek a subsidy from Ohioans to cover outstanding debt.

<sup>16</sup> "While HB 6's Remaining Provisions Are Debated, Subsidies to Ohio Utilities Double to \$150M Annually for Two Aged Coal Plants", <https://ohiomfg.informz.net/ohiomfg/data/images/OVEC%20Subsidies%20Double%20-%2009.28.21.pdf>

- Reliability - Ohioans do not need to subsidize OVEC to maintain reliable power supply. Ohio is part of a regional wholesale electric market, PJM. In this market, power generators compete to sell needed electricity to electrical load at any given hour based on price. If a power plant cannot compete on price, then it means there are plentiful electricity generators already meeting the system needs, at a lower price. Policymakers should know that customers already pay for reliability to power plants via PJM's capacity auctions. Allowing another charge through Ohio's distribution utilities would be a double payment.

**POLITICS**

# What's the line between politics and bribery? Householder, Borges appeal their convictions

**Jessie Balmert**

Cincinnati Enquirer

Published 12:40 p.m. ET Feb. 5, 2025 | Updated 1:03 p.m. ET Feb. 5, 2025

CINCINNATI - The fate of former Ohio House Speaker Larry Householder's bribery conviction could hinge on a disjointed set of legal decisions about the fine legal line between an explicit pay-to-play scheme and politics as usual.

Householder, 65, was sentenced to 20 years in federal prison for his role in a racketeering conspiracy. He was convicted of participating in a nearly \$61 million pay-to-play scheme trading political power for a \$1 billion nuclear plant bailout, known as House Bill 6, benefiting an Akron-based FirstEnergy subsidiary.

On Wednesday, Householder's attorney Steven Bradley told a three-judge appeals court panel that jurors were given faulty instructions that led them to believe that legal political contributions for an energy bill Householder already supported were instead a nefarious federal crime.

"There must be an agreement," said Bradley, adding that the agreement must to be clear and unambiguous.

Assistant U.S. Attorney Alexis Zouhary contended that Householder crossed the legal line by championing the nuclear bailout legislation while receiving millions from FirstEnergy through dark money groups intended to obscure where the money came from.

"It may be a fine line, but that's the line that has been drawn," Zouhary said.

Sixth Circuit Court of Appeals Judge Amul Thapar, who was appointed by President Donald Trump, said that if there isn't a quid pro quo then all state campaign contributions could be

labeled a bribe. He asked whether a candidate who wants to build a dam could hold a fundraiser collecting \$10,000 a plate from dam supporters. Zouhary said that would be legal.

The legal line between which political contributions are protected by the First Amendment and which are criminal is complicated by several legal decisions with different standards. "The Supreme Court case law is all over the map on this," Thapar said.

Thapar and fellow appeals judges John Nalbandian, a Trump appointee, and Stephanie D. Davis, who was appointed by former President Joe Biden, listened to arguments from attorneys for Householder and former Ohio Republican Party Chairman Matt Borges. Their decision on whether to overturn convictions or order a new trial will be released later.

Householder's attorneys have argued that prosecutors never proved that the former Ohio House speaker engaged in a bribery scheme, that jurors were given faulty instructions and that the federal judge overseeing the case was biased.

Two others charged in the pay-to-play scheme, Householder political adviser Jeff Longstreth and FirstEnergy Solutions lobbyist Juan Cespedes, testified against their co-conspirators at trial. They have pleaded guilty but have not yet been sentenced.

The final person charged in the conspiracy, lobbyist Neil Clark, died by suicide in March 2021.

FirstEnergy paid a \$230 million penalty for bankrolling the pay-to-play operation. Recently, federal prosecutors charged two former FirstEnergy executives, accusing them of bribing Householder and former top utility regulator Sam Randazzo. Former CEO Chuck Jones and former Senior Vice President of External Affairs Michael Dowling have pleaded not guilty.

In court, Bradley argued that the bribery case should be thrown out because the federal judge overseeing the case had an unauthorized conversation with a juror who had not yet received a negative COVID-19 test and refused to wear a mask. That juror was dismissed from the case.

Bradley said U.S. District Judge Timothy Black should have allowed Householder's attorneys to participate in the call. Zouhary said Householder's attorneys had an opportunity to weigh in on the juror's dismissal and didn't initially object.

## Householder not seeking clemency from Trump

After the hearing, Householder attorney Scott Pullins said the former House speaker is not seeking clemency from Trump – an option he considered after the Republican president was reelected.

"He feels this court will get it right," Pullins said.

## Borges' attorney argues his client was shoehorned into this scheme

Former Ohio GOP chairman Borges, 52, was sentenced to five years in prison after bribing a political operative for information about the campaign to block House Bill 6. Borges contends that federal prosecutors abused their authority in his case.

Borges' attorney Dennis Belli argued that Borges gave political consultant Tyler Fehrman \$15,000 for the signature collection count that would have become public eventually. "We're talking about criminal liability and it's not there," Belli said.

Zouhary countered that Fehrman had an obligation to his employer not to share valuable, secret information. By asking for it, Borges was committing a crime.

The judges also discussed how Borges was convicted because he participated in the illegal pay-to-play scheme and didn't need to commit the crimes himself. Zouhary pointed to the Fehrman bribe and money laundering offenses as evidence that Borges also committed offenses.

**More:** Householder attorneys: Biased judge, overzealous prosecutors led to corruption conviction

*Jessie Balmert covers state government and politics for the USA TODAY Network Ohio Bureau, which serves the Columbus Dispatch, Cincinnati Enquirer, Akron Beacon Journal and 18 other affiliated news organizations across Ohio.*

**STATEMENT - Electric Grid in Ohio Passes Important "Cold Snap" Test**

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**PROTECTING & GROWING  
OHIO MANUFACTURING****For Immediate Release:****Electric Grid in Ohio Passes Important  
"Cold Snap" Test**

*Ohio power generation during severe weather proves that free markets work*

(COLUMBUS, OH) – Today, OMA President Ryan Augsburger issued the following statement on Ohio's electricity grid largely succeeding in supplying customers with power during extreme cold:

"Ohio's power supply and electricity system largely passed an important test this week during a time of peak demand—the situation was manageable and there was enough power to go around without blackouts. In fact, our region had surplus power, enough even to send to other parts of the country that needed it. Simply put, Ohio's free market in electricity worked.

"While grid failures this week were small and managed, there is room for improvement in performance and costs. As policymakers contemplate energy reform, Ohio would benefit from increased transparency on transmission, which is essential to all good regulations. Neither the public nor Ohio regulators have hardly any information to justify the utility companies' skyrocketing mandatory fees on customers for their monopoly transmission activities, as the utilities are not required to demonstrate reliability improvements to their grid investments. That needs to change to ensure customers are treated with respect and that the utilities' record of questionable judgment and ethics isn't continuing.

"Future demand is coming and it's a welcome sign of Ohio's economic growth. Ohio manufacturers are excited to see it and know that new demand can and should be met using Ohio's existing free market for electricity. Our ability to successfully navigate the current high-demand episode proves it can be done."

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# The Columbus Dispatch

## Data center industry makes case that the centers contribute billions to Ohio's economy

[Jim Weiker](#)

### Columbus Dispatch

Published 6:01 a.m. ET Feb. 19, 2025 | Updated 9:39 a.m. ET Feb. 19, 2025

A new report from a data center trade association seeks to counter [growing data center opposition](#) by making the case that the industry provides a significant and growing economic benefit in Ohio and throughout the U.S.

Data centers contributed directly and indirectly to 4.7 million U.S. jobs in 2023, up 60% from 2017, according to [the study](#), which was prepared by PwC (formerly PricewaterhouseCoopers) on behalf of the Data Center Coalition. The industry's total contribution to the economy was valued at \$727 billion, more than double the amount from 2017.

"As we see in this report, we're seeing the economic value from the data center industry growing in Ohio and nationally," said Dan Diorio, senior director of state policy for the Data Center Coalition.

In Ohio, data centers directly and indirectly supported 84,900 jobs in 2023, and accounted for \$10.6 billion in total economic output in the state.

Despite those figures and what seems like [an endless number of data centers](#) popping up in Ohio, the report illustrates that Ohio remains a relatively modest player in the industry.

In none of the metrics in the report does Ohio rank in the top 10 states, and in several it fails to crack the top 15.

Data centers, for example, directly employ 15,000 Ohioans, one-quarter of 1% of Ohio's total workforce of nearly 6 million. Data centers employ fewer Ohioans than the industry employs in Missouri and a fraction of the number employed in the biggest data center states such as California (99,000), Texas (61,000) and Florida (40,000).

Nonetheless, data centers play an important role in the state's economic future, said Diorio.

"The data center industry is helping fuel economic growth in Ohio," Diorio said. "It's a 21<sup>st</sup> century industry, helping Ohio's growth as the Silicon Heartland."

A single data center can employ anywhere from fewer than 10 to more than 100 workers, depending on size, but Diorio said centers support 6.5 jobs for each job directly employed.

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The report also takes aim at the argument that the industry pays few taxes because of tax breaks.

According to the study, the industry accounted for \$162.7 billion in paid taxes in 2023, including income taxes, property taxes, social security payments, corporate income taxes, and sales and use taxes. In Ohio, data centers paid \$931 million in assorted taxes in 2023, up from \$419 million in 2017.

The Data Center Coalition released the report as it battles American Electric Power over [the utility's proposal](#) that data centers operate under a different rate structure than other electricity users because of the vast amount of energy they consume. The industry is fighting the proposal, which is before the Public Utility Commission of Ohio.

**TO: OMA Government Affairs Committee**  
**FROM: James Lee**  
**RE: Environment Public Policy Report**  
**DATE: February 27, 2025**

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### Overview

Legislative activity in Ohio has begun to pick up as state lawmakers engage in the 2025 budget process. With the opening of a new legislative session, legislators have returned to Columbus, setting the stage for new policy proposals. While environmental legislation remained light, additional proposals are expected to emerge as budget discussions progress.

On the state regulatory front, the OMA is actively engaging in proposed water quality rulemakings and monitoring state implementation of federally mandated air emission requirements.

With Donald Trump now in office, manufacturers are likely to see significant regulatory relief after facing years of costly and complex EPA regulations under the Biden administration. The Trump administration has already taken steps to roll back environmental oversight, including cutting funding for environmental justice initiatives and reducing federal intervention in state-level environmental policies.

### Environment Legislation

#### Governor DeWine Environment Policy Budget Highlights

DeWine's budget maintains the status quo on environmental policy, with no major changes. As expected, the governor is requesting continued funding for H2Ohio at similar levels to the last budget, while also including the proposed Air Permit fee increases discussed in the OMA's Environment Committee meeting. However, an unexpected proposal includes a significant increase in waste fees for Construction Demolition and Debris. Key budget details include:

- **H2Ohio Funding: \$270 Million** – Supports phosphorus reduction, drinking water improvements, and wetland restoration.
- **Air Permit Fee Increases** – Ohio EPA proposes raising fees to generate \$7 million in additional revenue to remain compliant with U.S. EPA regulations:
  - **Title V Facilities:** \$5,000 additional base fee per year; emission-based fees unchanged.
  - **Synthetic Minor Facilities:** \$5,000 additional base fee per year; 50% increase in annual emission-based fees.
  - **Permit to Install (PTI) Fees:** 50% increase in the current fee structure.
- **Solid Waste Fee Increases** – Raises Construction Demolition and Debris fees from \$1.60 to \$4.75, plus any local district fees, impacting manufacturers.

#### E-Check Bill Included in Transportation Budget

Legislation to fund transportation agencies for the next two years advanced quickly this week, with the House Finance Committee accepting a substitute version of House Bill 54. Notably, the bill includes the "E-Check Ease Act," which aims to reduce the administrative and financial burden on Ohio drivers by providing an alternative to the current E-Check program.

Ohio has long required E-Check as an air pollution control measure in certain congested counties. While the U.S. EPA has historically prohibited alternatives to centralized emissions testing, the Trump administration may be more open to changing that policy.

## **State Regulatory Activity**

### **US EPAs Good Neighbor Rule Paused in Ohio due to Yost's Successful Challenge**

In June, the U.S. Supreme Court granted a stay against the U.S. EPA's so-called "Good Neighbor Plan," temporarily blocking its implementation in Ohio. In their decision, the court ruled that the emissions-reductions standards set by the plan were likely to cause "irreparable harm" to nearly half of all U.S. states.

The rule significantly expands federal oversight of interstate air emissions. Ohio Attorney General Dave Yost joined Indiana and West Virginia in the suit to successfully obtain stay on the rule which will cost manufacturers and industrial producers an estimated \$910 million in yearly compliance costs. Manufacturers of cement, iron and steel, glass, and chemicals will be severely impacted by new regulations. Multiple justices on the court have publicly stated their skepticism of the rule and are set to issue an opinion on its constitutionality in a separate case before the court.

The OMA issued a statement on the block, pointing out the unattainable and damaging standards the rule would have put in place, and thanking Ohio Attorney General Dave Yost for leading the charge to challenge the rule which can be found in today's materials.

### **Lucas County and Toledo Sue USEPA Over Maumee Watershed TMDL General Permit**

Lucas County and the City of Toledo have filed a lawsuit against the U.S. Environmental Protection Agency (US EPA). The lawsuit alleges that the EPA knowingly violated the Clean Water Act by approving the total maximum daily load (TMDL) plan to restore the western basin of Lake Erie. This legal action is part of a broader effort to combat harmful algal blooms in Lake Erie, which have been a persistent environmental issue. The county commissioners argue that the TMDL plan, which is a regulatory component of the Clean Water Act intended to address the cleanup of impaired waters, fails to meet the legal standards necessary to prevent the pollution that leads to these algal blooms. They are particularly concerned about the runoff from "mega farms" and other non-point sources, which they believe is a significant contributor to the problem. The OMA advocated for the northwest region's manufacturers during the drafting of the TMDL plan, pushing back against inequitable policy proposals unfairly targeting point sources, which are not responsible for the major sources of pollution that come from non-point sources like agricultural runoff.

### **H2Ohio PFAS Rivers Survey**

The Ohio EPA has announced plans to utilize H2Ohio Funds for a comprehensive statewide river survey focused on PFAS contamination. This initiative positions Ohio as the first state in the country to embark on such an extensive survey. Although the Governor has clarified that this effort is not a prelude to immediate regulations and defers to the federal government for remediation guidelines, concerns over data collection remain as the results could be weaponized as a precursor to future regulatory actions from succeeding administrations or the legislature.

### **New Nutrients Implementation of Water Quality Standards Rule**

Ohio EPA is considering a new rule to determine if streams and rivers are impaired by excessive nutrients, using a weight of evidence approach for consistency.

In June, the OMA submitted comments supporting this approach and emphasized using the 2015 Stream Nutrient Assessment Procedure (SNAP) for the proposed Nutrient ESO. The OMA also raised concerns about the 2018 framework for large river rulemaking in developing the Nutrient Implementation Standards rule.

### OMA Engages on Ohio EPA's New Implementation of Water Variance Rule

The Ohio EPA has proposed a new Water Quality Standards Variance Rule (OAC 3745-1-38) to allow some manufacturers to meet adjusted, achievable water quality limits. This rule is intended to help companies gradually improve water quality when full compliance with strict standards isn't feasible, as seen with pollutants like mercury.

The OMA provided comments on August 23, 2023, supporting the rule's approach for certain ammonia discharges. However, OMA raised concerns about Ohio EPA's methods for setting these variance limits, particularly for mercury, which sometimes sets limits below what is realistically achievable. OMA has urged Ohio EPA to revise its guidance to make these permit limits more attainable for manufacturers.

### **Federal Regulatory Activity and OMA Action**

#### Trump Nominates Lee Zeldin as US EPA Director, Signaling Aggressive Regulatory Rollbacks

President-elect Donald Trump has nominated former New York Congressman Lee Zeldin to head the U.S. Environmental Protection Agency (EPA). Known for opposing climate-related legislation during his tenure, Zeldin has pledged to prioritize deregulation while maintaining basic environmental safeguards. Trump emphasized that Zeldin's leadership would foster U.S. energy dominance and economic growth/

Trump is expected to revisit and potentially roll back the Biden administration's strict national PFAS drinking water standards. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

#### Trump Takes Aim at Environmental Justice

The Trump administration is targeting the EPA's Office of Environmental Justice and External Civil Rights as part of its broader crackdown on Biden initiatives and environmental regulations. The administration has canceled nearly \$60 million in environmental justice contracts, prioritizing industry interests—particularly the U.S. auto sector—over environmental protections. These moves demonstrate Trump's stated agenda to roll back burdensome and costly regulations.

#### PM2.5 Standard

In a devastating blow to manufacturers, the Biden administration finalized the US EPA's PM 2.5 rule, lowering the National Ambient Air Quality Standards for fine particulate matter to 9 micrograms per cubic meter. Lowering this standard will force manufacturers to comply with unattainable emissions requirements, cost as much as \$197 billion in lost U.S. economic activity, and result in a loss of 974,000 jobs nationwide.

The OMA has made numerous efforts to oppose the rule through public comments and coalition letters to federal agencies, congress, and the white house. Upon release of the final rule, President Ryan Augsburger issued as statement opposing the rule as a disaster for manufacturers in Ohio.

In June, the National Association of Manufacturers (NAM) filed the opening brief in litigation opposing the rule. The OMA will keep its members apprised of the efforts to fight this rule in the courts. The OMA hosted an informational webinar with Ohio EPA staff on May 29 outlining next steps for the state's rule out of these new regulations that can be found on the OMA's website.

### US EPA Reinserts Nuisance Rule

U.S. EPA issued a proposed rule in February to reverse its prior November 2020 final action removing Ohio's air nuisance rule from the Ohio State Implementation Plan (SIP). The proposed rule follows a 6th Circuit decision remanding the 2020 removal action back to the EPA for further consideration.

The OMA supported the November 2020 final action and filed an amicus brief in the 6th Circuit matter, urging the court to uphold the EPA's decision. The current proposed rule would determine that the prior November 2020 action was in error and correct that action by reinstating the air nuisance rule back into the SIP.

The rule is a direct threat to manufacturers, making it easier for environmental activists to target companies with frivolous lawsuits. In the final hours of Biden's Administration, the US EPA finalized the rule in what optically appears to be an politically motivated measure to targeting Ohio and the manufacturing industry at large.

US Senators Husted and Moreno have been working directly with OMA members to draft Congressional Review Act language to strike the rule. The OMA coordinated a group industry letter in support of the CRA, which can be found in today's meeting materials.

### PFAS Drinking Water Standards

The Biden administration finalized its excessively stringent PFAS Drinking Water Standards rule that will require utilities to reduce PFAS compound levels to the lowest level they can be reliably measured. The already exceptionally low standards will be reduced from 70 parts per trillion to 4 parts per trillion. The rule will lead to significant cost increases throughout the supply chain impacting not only manufacturers but the US economy as a whole.

With Trump's recent election, many are predicting a rollback on these new standards. Although his previous administration-initiated steps to regulate PFAS under the Safe Drinking Water Act, a second Trump term is expected to emphasize voluntary compliance, slower timelines, and reduced enforcement to align with his broader deregulatory agenda – a sharp contrast to Biden's stringent and unattainable standards.

In an early action on the issue, Trump recently placed a freeze on pending USEPA PFAS rules via executive order.

The OMA has engaged on this rule through multiple comments to federal agencies and alerted state regulators of its detrimental impact since the rule was proposed in 2023. In the weeks prior to finalization, The OMA wrote to the Biden White House asking the administration to rescind their unattainable drinking water standards that fail to provide benefits to public health and threaten Ohio's manufacturers with inordinate compliance burdens and costs. That letter can be found in today's Environment materials.

### Additional PFAS Regulations

Actions on PFAS from federal and state policy makers have been making headlines. Manufacturers should be keeping up with multiple developments including:

- The publication of US EPA's final rule designating PFOA and PFOS hazardous substances under CERCLA. The rule is the agency's first-ever use of CERCLA § 102 to designate hazardous substances – and in a recent announcement the US EPA

announced their enforcement discretion policy essentially stating that they will not target public entities and agriculture – suggesting their focus for enforcement is set solely on manufacturers.

- The US EPA's TSCA rule broadening scope mandated reporting requirements on the presence of 1,462 PFAS chemicals in their processes and products dating back to 2011.
- Proposed TRI rules that would Categorize all PFAS as chemicals of special concern (COCS), eliminate exemptions for reporting trace amounts of PFAS and mandate suppliers to inform purchasers of any product containing COCS, regardless of quantity or concentration.
- Extensive new PFAS Air Emission reporting requirements proposed under the US EPA's Air Emissions Reporting Requirements (AERR)
- Incoming proposed rules from the US EPA that that would require the investigation and clean-up of certain PFAS at facilities that manage hazardous waste
- Finalized Automatic Additions of Seven PFAS compounds required for TRI reporting in 2024.
- The DeWine Administration's efforts to implement a statewide survey of Ohio's rivers for PFAS contamination.
- The DeWine Administration's use of Battelle's PFAS Annihilator to destroy stockpiled firefighting foam containing PFAS. Battelle's technology has been patented to effectively destroy and remediate PFAS compounds in wastewater to non-detectible levels.

## **Environment News**

[Click here for Environment Community articles from previous Leadership Briefings](#)

**Environment Legislation**  
Prepared by: The Ohio Manufacturers' Association  
Report created on February 25, 2025

- HB54**      **TRANSPORTATION BUDGET (STEWART B)** To make appropriations for programs related to transportation for the biennium beginning July 1, 2025, and ending June 30, 2027, and to provide authorization and conditions for the operation of those programs.  
*Current Status:* 2/27/2025 - Senate Transportation, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-54>
- HB93**      **RESTORE CLEAN OHIO FUND (HALL T, SWEENEY B)** To restore the Clean Ohio Fund to be administered by the Department of Development and the Clean Ohio Council.  
*Current Status:* 2/12/2025 - Referred to Committee House Finance  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-93>
- HB96**      **OPERATING BUDGET (STEWART B)** To make operating appropriations for the biennium beginning July 1, 2025, and ending June 30, 2027, to levy taxes, and to provide authorization and conditions for the operation of state programs.  
*Current Status:* 2/27/2025 - House Children and Human Services, (Sixth Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-96>
- HB115**      **E-CHECK PROGRAM COMPLIANCE ALTERNATIVE (DEMETRIOU S)** To create an alternative method to certify compliance with the E-Check program and to name this act the E-Check Ease Act.  
*Current Status:* 2/24/2025 - Introduced  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-115>



February 19, 2025

Senator Bernie Moreno  
United States Senate  
B33 Russell Senate Office Bldg.  
Washington, DC 20510

Senator Jon Husted  
United States Senate  
198 Russell Senate Office Bldg.  
Washington, DC 20510

Congressman Troy Balderson  
U.S. House of Representatives  
2429 Rayburn House Office Bldg.  
Washington, DC 20515

Congressman Michael Rulli  
U.S. House of Representatives  
421 Cannon House Office Bldg.  
Washington, DC 20515

**Re: Ohio's Business Community Urges Support for Congressional Review Act (CRA) Resolution to Rescind EPA's Unjustified Nuisance Rule for Ohio**

Dear Senators Moreno and Husted and Congressmen Balderson and Rulli,

On behalf of Ohio's business community, we write to thank you for your leadership on a Congressional Review Act (CRA) resolution to overturn the Environmental Protection Agency's (EPA) recent decision to reinstate Ohio's nuisance rule as part of its State Implementation Plan (SIP) and to share our strong support for this resolution. This last-minute regulatory change unjustly targets Ohio businesses and is inconsistent with EPA's treatment of other states under the Clean Air Act.

As you know, EPA originally removed Ohio's nuisance rule from its SIP in 2020 after determining that it was not necessary for attaining or maintaining National Ambient Air Quality Standards (NAAQS). This decision was aligned with EPA's longstanding practice of removing similar nuisance provisions in other state SIPs, including California, Kentucky, Georgia, Michigan, Minnesota, Nevada, New Hampshire, New York, Rhode Island, and Wyoming. However, under pressure from plaintiffs' attorneys and activist groups, the Biden Administration chose to reverse course at the eleventh hour, making Ohio an outlier and exposing our manufacturers to an unprecedented wave of costly federal lawsuits.

This regulatory maneuver does not enhance environmental protections. The nuisance rule remains fully enforceable under Ohio law, and affected parties retain multiple legal avenues to address air quality concerns at the state level, including tort actions and Ohio EPA enforcement. Instead, EPA's decision serves only to benefit trial attorneys by enabling Clean Air Act citizen suits in federal court—an option unavailable in other states—while allowing litigants to recover attorneys' fees at the expense of Ohio's businesses.

The Biden Administration's decision to reinsert this rule just hours before leaving office unfairly singles out our state while contradicting EPA's treatment of other states under the Clean Air Act. It is imperative that Ohio's Congressional Delegation takes immediate steps to reverse this unjust and politically charged maneuver.

We support swift action on your CRA resolution to block this misguided rule. The rule's reinstatement directly contradicts the Clean Air Act, unfairly disadvantages Ohio businesses, and creates regulatory inconsistency across state lines. Our organizations and the Ohio EPA have all voiced strong opposition to this change, and we ask for your leadership in ensuring that Ohio's businesses are not unfairly burdened by federal overreach.

Thank you for your attention to this urgent matter. We appreciate your commitment to protecting Ohio's manufacturers and the thousands of hardworking Ohioans they employ. Please let us know how we can support your efforts to advance this critical legislative remedy.

Sincerely,

The Ohio Manufacturers' Association

The Ohio Chamber of Commerce

The Ohio Chemistry Technology Council



February 17, 2023

U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

**RE: Reconsideration of National Ambient Air Quality Standards for Particulate Matter  
(Docket ID No. EPA-HQ-OAR-2015-0072)**

The Ohio Manufacturers' Association (OMA) is Ohio's largest statewide business association comprised solely of manufacturers. Established in 1910, the OMA's mission is protect and grow Ohio manufacturing. Our association represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing more than 695,000 Ohioans and contributing more than \$130 billion annually to the economy.

As the leading coalition for manufacturers in Ohio, we join manufacturers across the U.S. in strong opposition to EPA's PM2.5 rule proposal that would impose stricter air standards on businesses. American families are already concerned about the threat of a recession. Imposing new, burdensome regulations on the private sector, especially at a time of economic instability, will only further weaken an already slowing economy. The OMA fears this regulation will disproportionately affect our members' supply chains and operational expenses.

The U.S. already has some of the strongest environmental performance standards in the world. Levels of major pollutants have declined dramatically. The U.S. EPA's own data show that the U.S. reduced six common NAAQS pollutants (including PM2.5) by 78% between 1970 and 2020. Moreover, the U.S. EPA affirms that PM2.5 levels have dropped 44% since 2000, while the Ohio EPA notes that particulate pollution has been on a downward trend statewide over the past decade.

The proposed PM2.5 standards would not only hurt existing manufacturing facilities but could also jeopardize the new, clean energy manufacturing that is needed to address climate change. When the U.S. doesn't manufacture, capital investment shifts to other countries that do not have the same commitment to environmental stewardship as the U.S.

Let manufacturers do what they do best: innovate and develop modern technologies that address air quality, reduce emissions, and protect the environment, while protecting manufacturing jobs and growing the economy. On behalf of Ohio's manufacturing community, the OMA strongly urges the U.S. EPA to reconsider its PM2.5 proposal. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger".

Ryan Augsburger  
President

Chairman of the Board  
**DALE LAWS**  
Vice President, Manufacturing Operations  
Laundry, Dishwashers & Small Appliances  
Whirlpool Corporation, North American Region



President  
**RYAN AUGSBURGER**

April 19, 2023

The Honorable Sherrod Brown  
United States Senate  
503 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Brown,

On behalf of Ohio's manufacturing community, this letter is to inform you that The Ohio Manufacturers' Association is strongly opposed to the U.S. EPA's National Ambient Air Quality Standards (NAAQS) PM2.5 rule proposal that would impose stricter federal air standards.

Businesses and families across Ohio are already concerned about the threat of a recession. Imposing new, burdensome, and unnecessary regulations during a time of economic instability will only weaken a slowing economy. Moreover, this proposed rule will disproportionately affect manufacturing, which is Ohio's largest economic sector, employing nearly 700,000 Ohioans and contributing more than \$133 billion annually to the economy.

It's worth noting the EPA's own data show the U.S. reduced six common NAAQS pollutants (including PM2.5) by 78% between 1970 and 2020. Moreover, the U.S. EPA affirms PM2.5 levels have dropped 44% since 2000, while the Ohio EPA notes particulate pollution has been on a downward trend statewide over the past decade.

Changes to the PM2.5 standards would not only hurt existing manufacturing facilities, they could also jeopardize efforts to bring new manufacturing to our state. When the U.S. doesn't manufacture, capital investment shifts to other countries – punishing local economies and communities, as every Ohioan knows too well.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger".

Ryan Augsburger  
President

# Washington's regulatory onslaught endangers Ohio's manufacturing momentum: Ryan Augsburger



• Published: Jul. 16, 2023, 5:35 a.m.

Manufacturers have led the Buckeye State's surge as manufacturing payrolls once again boast more than 690,000 jobs. Manufacturing economic output continues to smash records, contributing more than \$134 billion annually to our state's economy. David Petkiewicz, cleveland.com

**Guest columnist, cleveland.com and The Plain Dealer**

COLUMBUS, Ohio -- While the drumbeat of dismal economic forecasts has been steady since the early days of the pandemic, Ohio's economy has kept its head above water.

More accurately, it has thrived.

Manufacturers have led the Buckeye State's surge as manufacturing payrolls once again boast more than 690,000 jobs. Manufacturing economic output continues to smash records, contributing more than \$134 billion annually to our state's economy.

Unfortunately, some in Washington, D.C., are working overtime to repel this momentum.

The latest survey conducted by the National Association of Manufacturers (NAM) finds that U.S. manufacturers' concerns over federal regulations have reached a six-year high as nearly 100 new major regulations – from 30 federal agencies and offices – threaten jobs and investment.

Ryan Augsburger is president of The Ohio Manufacturers' Association, which represents approximately 1,500 manufacturers statewide.

A new report by the conservative American Action Forum shows the Biden administration's near and long-term plan to issue approximately 3,200 rulemakings within the next year or so includes 280 "major rules" and 1,326 "significant rules," representing high-water marks for both categories over the past decade.

The Ohio Manufacturers' Association (OMA) has partnered with NAM to push back against the regulatory onslaught. What takes place in D.C. and key federal agencies ultimately impacts Ohio manufacturers and their communities.

Here are just a handful of examples of recent regulations that will affect our industry:



## ENVIRONMENTAL POLICY SHIFTS UNDER TRUMP: CROSS-BORDER INSIGHTS

**Tanya C. Nesbitt**

Partner | Atlanta, Washington, D.C.

INSIGHTS

02.17.25

With Donald Trump's recent return to the White House, cross-border environmental policy is once again at a pivotal moment. How will his administration's approach to climate and biodiversity shape regulations in Canada? And what challenges—or opportunities—might emerge for businesses navigating this shifting landscape?

At Gowling WLG's *2024 Environmental Law Year in Review* conference in Toronto, leading environmental lawyers Liane Langstaff (Gowling WLG Canada), Ben Stansfield (Gowling WLG UK), and Tanya Nesbitt (Thompson Hine LLP, US) tackled these pressing questions. Drawing on insights from the 29th United Nations Climate Change Conference of the Parties (COP 29) in Azerbaijan and the 16th United Nations Biodiversity Conference (COP 16) in Colombia, as well as the latest developments under the second Trump administration, they explored the far-reaching implications for cross-border environmental regulation.

This article captures key takeaways from their discussion—and what businesses need to consider as they prepare for the road ahead.

### SHIFTS IN U.S. INTERNATIONAL ENVIRONMENTAL ENGAGEMENT

As promised, one of Trump's first executive orders was to pull the United States out of the Paris Agreement.<sup>[1]</sup> The United States will likely disengage from cooperative international environmental efforts more generally, prioritizing domestic policies instead. Despite this, the Climate Alliance, a group of 24 state governors focused on achieving net zero, expressed continued commitment to Paris Agreement goals on Trump's first day in office,<sup>[2]</sup> signaling that states and NGOs will strive to advance climate initiatives against federal opposition.

As was the case during the last Trump administration, other countries will likely step up to fill the gap on climate change action and commitments left by the United States' retreat. Furthermore, international commitment to market mechanisms for both climate and nature mean that there may be continued interest and investment from U.S.

companies particularly in relation to their international activities, even if the federal government is absent from international environmental negotiations.

## ENERGY PRIORITIES AND U.S.-CANADA RELATIONS

The Trump administration aims to bolster the United States as a global energy leader, with plans to establish a national energy council led by Doug Burgum—North Dakota’s governor and nominee for Interior Secretary.

Burgum believes in climate change and has demonstrated a commitment to working collaboratively with Canada and Indigenous communities in North Dakota. His administration in North Dakota has already made significant strides, including a pledge to achieve carbon neutrality by 2030 and support for cap-and-trade systems to reduce greenhouse gas emissions. While there will certainly be shifts away from Biden-era renewable energy policies and investments, Burgum’s appointment opens the possibility to alignment with some Canadian energy and climate priorities.

However, the [ongoing threat of tariffs](#) on Canadian goods in general, and on Canadian energy imports in particular, complicate this partnership, given that 97% of Canada’s oil exports went to the United States in 2023.<sup>[3]</sup>

The Trump administration also seeks to expedite energy project permitting, reversing Biden-era regulations and targeting renewable energy developments. For example, the executive order titled “Unleashing American Energy” included various directions and presidential actions, including disbanding the Working Group on the Social Cost of Greenhouse Gases<sup>[4]</sup> and directs federal agencies to consider eliminating the social cost of carbon calculations from all federal and regulatory decisions.<sup>[5]</sup> The Trump administration has also pushed back against renewable energy by withdrawing the entire Offshore Continental Shelf from wind energy leasing and paused project approvals.<sup>[6]</sup>

In addition, the Trump administration has signed executive orders opening up Alaska to Liquefied Natural Gas exploration<sup>[7]</sup> and resuming oil and gas leasing in the Arctic National Wildlife Refuge. The prospect of these major energy and infrastructure developments may have ramifications for the Canadian North, including potential negative impacts on wildlife and Indigenous hunting and fishing rights.

## WETLANDS AND NATURAL HABITATS

The Trump administration’s anticipated reversals of wetland and natural habitat protections will likely impact Canada’s Great lakes and river systems that border the United States. While there may be more streamlined federal regulations, state-level actions on water and habitat protection within their boundaries could continue to drive change.

## REVERSAL OF BIDEN ADMINISTRATION POLICIES

As of February 2, 2025, Trump's administration has annulled 78 Biden-era executive orders.

Some Biden-era measures are unlikely to face swift reversals because their development was pushed forward so that they do not fall within the Congressional Review Act's 60-day look-back period. However, a significant environmental rule that may fall within the look-back period and which might be targeted is the U.S. Environmental Protection Agency's (EPA) Waste Emissions Charge for Petroleum and Natural Gas Systems. The rule enforces part of the Inflation Reduction Act that requires the U.S. EPA to impose a fee on methane emissions that surpass established statutory limits.

Additionally, we anticipate a push for a more streamlined, industry-friendly approach to chemicals management under the new Trump administration. An executive order has already been issued that would withdraw a new draft rule by the U.S. Environmental Protection Agency, which set limits on toxic per- and polyfluoroalkyl substances (PFAS)<sup>[8]</sup> in industrial wastewater.<sup>[9]</sup> While the administration may take further steps to roll back measures to address PFAS, it may not be politically expedient to reverse course entirely, particularly PFAS regulation on maximum contaminant levels in drinking water where there might be strong public awareness of the issue.

Finally, the Trump administration may amend policies that are subject to ongoing litigation. For example, the U.S. Securities and Exchange Commission (SEC) Climate Disclosure Rule<sup>[10]</sup> is currently subject to legal challenges. The SEC has already voluntarily stayed the Rule.<sup>[11]</sup> As of February 11, 2025, the Acting Commissioner of the SEC then requested the Court not schedule the case for argument to provide time for the SEC to determine the next steps in these cases.<sup>[12]</sup>

## LOOKING AHEAD

Trump's presidency heralds significant shifts in both domestic and international environmental policies, posing challenges for U.S.-Canada cooperation on environmental issues. Nevertheless, engagement from U.S. businesses and state actors indicate sustained international environmental discussions will continue, albeit at a slower pace, despite the changing political landscape.

# Senate Confirms Lee Zeldin to Head E.P.A.

The former New York congressman has little experience in environmental policy. He is expected to follow orders to weaken climate rules.



By Coral Davenport

Jan. 29, 2025

The Senate on Wednesday voted to confirm Lee Zeldin to run the Environmental Protection Agency, where he will be charged with executing President Trump's orders to dismantle major environmental regulations, and possibly parts of the 55-year-old agency itself.

The Senate voted 56 to 42 to confirm Mr. Zeldin, a former House member with little experience in environmental regulation. He is expected to work to erase rules to fight climate change and chemical pollution, while shutting down programs designed to help poor and minority communities that are disproportionately affected by pollution.

In his Senate confirmation hearing on Jan. 16, Mr. Zeldin told lawmakers that he would "enthusiastically uphold" the agency's mission to protect human health and the environment, and that he grasped the basic science of climate change.

"I strongly believe we have a moral responsibility to be good stewards of our environment for generations to come," he said.

But Mr. Zeldin has also been directed to dismantle the largest climate rule ever enacted by the federal government. The rule, finalized last year, would cut tailpipe emissions of greenhouse gases, the nation's largest source of planet-warming pollution, by compelling automakers to increase sales of hybrid and all-electric vehicles.

Mr. Trump incorrectly refers to the rule as the “EV mandate”; the rule does not ban gas-powered vehicles.

**Coral Davenport** covers energy and environment policy, with a focus on climate change, for The Times. More about Coral Davenport



Home <<https://epa.gov/>> / News Releases <<https://epa.gov/newsreleases/search>>

# EPA Administrator Lee Zeldin Cancels Nine More Contracts, Saving Nearly \$60 Million

February 14, 2025

## Contact Information

EPA Press Office ([press@epa.gov](mailto:press@epa.gov))

**WASHINGTON** – Today, U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin, with the assistance of the Department of Government Efficiency (DOGE), cancelled nine contracts related to DEI, environmental justice, and more, resulting in \$59,776,673.70 in taxpayer savings.

“The American people deserve accountability and responsible stewardship of their hard-earned tax dollars. At President Trump’s direction, EPA, with the assistance of DOGE, are reviewing every dollar spent. There will be zero tolerance for waste and abuse, and by canceling these contracts, we are delivering nearly \$60 million in immediate savings to the American people,” **said Administrator Zeldin.**

“The American public spoke loud and clear last November. The EPA will deliver on President Trump’s priorities, ensuring taxpayer dollars go towards our core mission of protecting human health and the environment, as well as unleashing energy dominance, implementing permitting reform, making America the AI capital of the world, and bringing back the American auto industry,” **continued Administrator Zeldin.**

The cancelled contracts represent \$59,776,673.70 saved from wasteful DEI and environmental justice initiatives. Additional monies were allocated for DEI training for staff, expanding environmental justice content through the America’s Children and the Environment Program, contractors to advance agency DEI initiatives, and more. More savings have been accrued through the agency’s cancellation of outside contractors hired to plan office-wide retreats, and from other contracted work that could be insured.

EPA has worked diligently to implement President Trump’s executive orders, including the “Ending Radical and Wasteful Government DEIA Programs and Preferencing,” as well as subsequent associated implementation memos.

Earlier this week, Administrator Zeldin announced that the agency found \$20 billion parked at a financial institution <https://epa.gov/newsreleases/administrator-zeldin-announces-billions-dollars-worth-gold-bars-have-been-located> by the Biden-Harris Administration in an effort to obligate money with reduced oversight. Administrator Zeldin called for termination of the financial agent agreement, and for the immediate return of the entire fund balance to the United States Treasury to ensure EPA oversight.

The Administrator also identified and cancelled a \$50 million Biden-era environmental justice grant [🔗 <https://x.com/epaleezeldin/status/1890080377940926637>](https://x.com/epaleezeldin/status/1890080377940926637) to the Climate Justice Alliance and announced that the agency would not be renewing nearly half a million dollars in media subscriptions [🔗 <https://x.com/epaleezeldin/status/1889381222750572875>](https://x.com/epaleezeldin/status/1889381222750572875) to Politico and its subsidiaries.

Last updated on February 14, 2025

**TO: OMA Government Affairs Committee**  
**FROM: James Lee**  
**RE: Human Resources Public Policy Report**  
**DATE: February 27, 2025**

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### Overview

As the state legislature begins a new session, legislative activity affecting manufacturers has been minimal, but a significant concern has emerged with the introduction of a bill to ban non-compete agreements.

Last year, the business community was relieved when a proposed ballot measure to raise the minimum wage to \$15 an hour failed to make the 2024 ballot. However, this threat remains, as organizers are well-positioned to revive the effort for 2025.

Meanwhile, major Biden-Harris regulations, such as the OSHA walkaround rule, remain tied up in litigation, with potential rollbacks on federal HR regulations expected to come under a Trump's administration.

### Potential Minimum Wage Ballot Initiative Coming in 2025

Last year, the organizers of an Ohio minimum wage ballot initiative campaign announced they had failed to meet the requirements to get the proposal on the November ballot. However, they later backtracked, stating they would explore all options before the deadline, including a second review of their collected signatures. Despite falling short of the county signature requirements, they plan to continue gathering signatures with the aim of placing the \$15 minimum wage measure on the 2025 ballot.

Similar efforts have risen in the legislature, as House Democrats have introduced HB 34 to increase the state's minimum wage. The bill is not likely to move.

### Senate Bill 11: Ban on Non-Compete Agreements

Senators Lou Blessing (R- Colerain Twp) and Bill Demora (R-Columbus) have introduced legislation to ban non-compete agreements. The OMA has opposed similar efforts at the federal level to place a ban on noncompete agreements – in 2023 The OMA organized and submitted comments from Ohio's business community opposing the rule upon its introduction, noting the mutual benefits non-compete agreements provide to both employers and employees, along with the necessary protections to manufacturers' trade secrets. Those comments can be found in today's meeting materials.

The bill received a second hearing this week in the Senate Judiciary Committee. The OMA will work with members to oppose the legislation.

### Senate Bill 50: Youth Work Hours

Senator Tim Schaffer (R-Lancaster) has introduced SB 50, legislation to allow 14 and 15 year-olds to be employed between 7:00 p.m. and 9:00 p.m. at any time during the year if the minor has approval to do so from the minor's parent or legal guardian. The bill has received support from retailers and small business advocates. The bill is likely to pass the Senate chamber after receiving its third hearing in the Senate Workforce Development Committee.

### House Bill 94: Labor Law Notices

Representatives Thomas Hall (R-Oxford) and Adam Matthews (R-Lebanon) recently introduced legislation to allow employers to allow certain required labor law notices to be posted online. The bill has been referred to the House Commerce and Labor Committee where it awaits its first hearing.

### Ohio Pay Stub Protection Act to Take Effect in April

HB 106 from the last general assembly, Ohio's Pay Stub Protection Act, passed in December and will take effect on April 8, requiring employers to provide employees with itemized pay stubs detailing wages, deductions, hours worked, and other key payroll information. While there will be no fines for noncompliance, employees will be able to report violations, leading to a mandatory public notice of the issue. Employers will need to ensure their payroll systems are updated to meet these new transparency requirements and avoid potential future complications.

### OSHA's Union Walkthrough Rule

As of February 2025, OSHA's Worker Walkaround Representative Designation Process rule, which took effect on May 31, 2024, remains in effect. This rule allows employees to designate third-party representatives, such as union officials or community organizers, to accompany OSHA inspectors during workplace inspections if deemed reasonably necessary. The National Association of Manufacturers (NAM), along with other business groups, filed a lawsuit challenging the rule in May 2024, arguing it exceeds OSHA's statutory authority and infringes on employers' property rights. The legal challenge is ongoing, and no court has issued a ruling to block or repeal the rule to date.

The OMA made public comments to OSHA opposing the rule on the grounds that allowing virtually anyone to join an OSHA inspection process transforms a safety-focused endeavor into a tool for union organizing, a tactic for attorneys in litigation, a threat to trade secrets, and a means to harass employers.

You can find The OMA's comments in today's meeting materials. In follow up advocacy efforts, the OMA sent a letter to Ohio's congressional delegation with nearly 200 of our member companies signing on to urge legislative action against the rule. That letter can also be found in today's meeting materials.

### **Workforce**

#### Ohio Manufacturing Talent Partnership

The Auto & Advanced Mobility (A&AM) Workforce Strategy is now the Ohio Manufacturing Talent Partnership (OMTP), reflecting a broader focus on Ohio's entire manufacturing sector. More details on this transition and new initiatives will be shared soon.

This quarter, the OMA completed its initial work on A&AM Super RAPIDS, with joint applications submitted for all six Regional Hubs. The Ohio Department of Higher Education (ODHE) is reviewing \$8.395 million in equipment projects aimed at enhancing public university and Ohio Technical Center training programs for in-demand manufacturing jobs. This effort was led by the OMA, OMA-Endorsed Industry Sector Partnerships (ISPs), and regional education, workforce, and government partners.

Additionally, the OMA and ODHE hosted a third roundtable at Tolles Career & Technical Center to address manufacturing instructor shortages. Three more sessions are planned for Northwest, Southwest, and Southeast Ohio.

#### Governor DeWine's Budget Priorities for Workforce Development

The Governor's budget plan includes key investments in workforce development programs like the Industry Sector Partnership grant and TechCred. Beyond funding, it also proposes policy changes to strengthen workforce development in Ohio. One major change would expand middle school career technical education to 200+ additional districts by removing the waiver that lets schools opt out. Other notable funding and policy updates include:

- \$9.6 million per year to create regional tech prep centers, improving access to career technical education.
- Mandating high schools to weigh GPAs for Career-Technical Assurance Guides (CTAG) courses the same as AP courses.
- Requiring the Chancellor of Higher Education to set alternative criteria based on Ohio's workforce needs for first-time Ohio Work Ready Grants.

#### Alternative Licensure Pathways for Career Tech Instructors Passes in End of Year Session

House Bill 432, which was introduced to address the shortage of career technical instructors in the state, passed unanimously at the end of December and will soon become effective in March. House Bill 432 will create alternative licensure pathways for career tech instructors and better equip career technical planning districts to meet the growing needs of their services.

#### Enhancing Ohio's Workforce Through Preparation of Returning Citizens Passes in End of Year Session

Senate Bill 198 would require the Ohio Department of Rehabilitation and Corrections and Ohio Department of Youth Services to provide an eligible inmate with necessary identification documents to assist in obtaining employment once released from prison. These documents include a photo ID, a social security card, birth certificate, and a copy of the vocational training/work record of the inmate, if applicable. This bill reduces barriers to employment for individuals who are focused on re-entering the workforce. The OMA testified in support earlier this year in Senate Small Business and Economic Opportunity Committee.

Senate Bill 198 passed the Senate unanimously in June and is currently pending in House State and Local Government Committee.

[Click here for Human Resources Community articles from previous Leadership Briefings](#)  
[Click here for Workforce Community articles from previous Leadership Briefings](#)

## Human Resources, Health Care & Employment Law Legislation

Prepared by: The Ohio Manufacturers' Association  
Report created on February 25, 2025

- HB2 ESTABLISH CHILD CARE CRED PROGRAM (JOHNSON M)** To establish the Child Care Cred Program and to make an appropriation.  
*Current Status:* 2/4/2025 - House Children and Human Services, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-2>
- HB34 INCREASE STATE MINIMUM WAGE (JARRELLS D, MOHAMED I)** To increase the state minimum wage.  
*Current Status:* 2/5/2025 - Referred to Committee House Commerce and Labor  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-34>
- HB41 ESTABLISH CHILD CARE GRANT PROGRAMS (WHITE A, ROEMER B)** To establish certain child care grant programs, including those related to child care capacity and learning labs, and to make an appropriation.  
*Current Status:* 2/12/2025 - House Children and Human Services, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-41>
- HB94 ONLINE LABOR LAW NOTICE POSTING (MATHEWS A, HALL T)** To allow employers to post certain labor law notices on the internet.  
*Current Status:* 2/12/2025 - Referred to Committee House Commerce and Labor  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-94>
- HB98 ESTABLISH COMMUNITY CONNECTORS WORKFORCE PROGRAM (SANTUCCI N, WILLIAMS J)** To establish the Community Connectors Workforce Program and to make an appropriation.  
*Current Status:* 2/12/2025 - Introduced  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-98>
- SB8 PROHIBIT EMPLOYEE COMPENSATION-UNION ACTIVITIES (HUFFMAN S)** To prohibit a public employer from providing paid leave or compensation for a public employee to engage in certain union activities.  
*Current Status:* 2/26/2025 - Senate Government Oversight and Reform, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-8>
- SB11 PROHIBIT POST-EMPLOYMENT AGREEMENTS (BLESSING III L, DEMORA B)** To prohibit agreements that restrain engaging in a lawful profession or business after the conclusion of an employment relationship.  
*Current Status:* 2/26/2025 - Senate Judiciary, (Second Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-11>

- SB32**      **ESTABLISH CHILD CARE CRED PROGRAM** (REYNOLDS M, SCHAFFER T) To establish the Child Care Cred Program and to make an appropriation.  
*Current Status:* 2/18/2025 - Senate Finance, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-32>
- SB33**      **LABOR LAW NOTICES-POST ONLINE** (WILSON S, LANG G) To allow employers to post certain labor law notices on the internet.  
*Current Status:* 2/25/2025 - Senate Workforce Development, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-33>
- SB50**      **REGARDING CERTIFICATE, WORK REQUIREMENTS-UNDER AGE 16** (SCHAFFER T) Regarding age and schooling certificate requirements and work hours for a person under sixteen years of age.  
*Current Status:* 2/25/2025 - Senate Workforce Development, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-50>
- SB51**      **ESTABLISH LEGISLATIVE OVERSIGHT** (SCHAFFER T) To establish legislative oversight of executive action regarding voluntary federal unemployment compensation programs.  
*Current Status:* 2/11/2025 - Senate Financial Institutions, Insurance and Technology, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-51>
- SB56**      **MARIJUANA-REVISE LAWS, LEVY TAXES** (HUFFMAN S) To consolidate the administration of the marijuana control program, revise the medical and adult-use marijuana laws, and to levy taxes on marijuana.  
*Current Status:* 2/26/2025 - Senate General Government, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-56>
- SB74**      **CREATE FAIR PAYCHECK WORKPLACE CERTIFICATE** (HICKS-HUDSON P, SMITH K) To create the fair paycheck workplace certificate.  
*Current Status:* 2/26/2025 - Senate Judiciary, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-74>
- SB77**      **ESTABLISH SYSTEM-REPORT WAGE DISCRIMINATION** (HICKS-HUDSON P, SMITH K) To require the Ohio Civil Rights Commission to establish a system for individuals to anonymously report wage discrimination.  
*Current Status:* 2/26/2025 - Senate Judiciary, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-77>



# Ohio to Soon Require Pay Stub Transparency – What the New Law Means For Employers

## Insights

2.04.25

Pay stub transparency – the practice of providing all the details about an employee's earnings and deductions on their pay stub – is becoming standard across the United States, and Ohio just became the latest state to impose such obligations on employers. The Pay Stub Protection Act, which takes effect April 8, will require employers to provide employees with an itemized earnings statement that lists wages, deductions, additions, and much more relevant information. What do you need to know about this new law, and how should you prepare for the effective date?

### The Law in a Nutshell

Once April 8 rolls around, you will need to ensure the following information is contained on each and every earnings statement you provide your workers:

- The name and address of both employee and employer;
- Total gross wages and total net wages;
- A breakdown of additions and deductions from wages, with a brief explanation of each;
- For hourly employees, the total hours worked, hourly wage rate, and any overtime hours included in the calculation; and
- The pay date and the pay period it covers.

Employers are free to deliver this information either on paper or in electronic form.

### What Happens if Employers Don't Comply?

Unlike in other states, like California and New York, where violations can lead to financial penalties or private legal action, Ohio employees do not have an independent cause of action against their employer for failing to provide the above information on the employee's pay stub. Nor are there fines or monetary penalties for an employer's non-compliance. Instead, Ohio lawmakers created a process to promote accountability and transparency, as follows:

- If an employee doesn't receive the required information on their pay stub, the employee can submit a written request to the employer.

- The employer then has 10 days to provide the required information.
- Should the employer fail to supply the statement within 10 days, the employee can report the violation to the Ohio Director of Commerce.
- If the Director of Commerce determines that a violation occurred, it will issue a written notice of the violation that the employer must post at the workplace for 10 days.

## **Ohio's New Law is a Call to Action for Employers**

HR and payroll teams will need to ensure that payroll systems can produce detailed, accurate pay stubs that meet these new requirements. This could mean updating software, reviewing payroll processes, or working closely with your payroll service provider to make the changes. If you're unsure whether your company's payroll system is ready for these changes, it might be a good time to reach out to your payroll service provider and legal counsel to make sure you're set to meet Ohio's new requirements when they take effect.

Ohio's Pay Stub Protection Act might not carry immediate fines for violations, but it's a clear signal that wage transparency is here to stay. By implementing systems to give employees clear and itemized pay statements, you can ensure compliance with future iterations of the law.

While Ohio doesn't currently impose penalties for noncompliance, getting pay stubs right is an essential best practice that helps avoid potential issues down the line, especially as the national trend toward pay transparency continues. This means staying ahead of the latest regulations and making sure payroll processes are in line with the new law. You can review our latest Insight - **[Tracking the Latest Pay Transparency Trends: 5 Compliance Tips for Employers](#)** – for more information about this national trend.

## **Conclusion**

We will continue to monitor developments that impact your workplace and provide updates when warranted. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. For further information, contact the authors of this Insight, your Fisher Phillips attorney, or any attorney in [our Ohio offices](#) or any member of our [Wage and Hour Practice Group](#).

## ***Related People***



www.lsc.ohio.gov

# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 11  
136<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Sens. Blessing and DeMora

Kelly Bomba, Attorney

### SUMMARY

- Prohibits certain noncompete agreements and employment agreements regarding venue and choice of law.
- Specifies that an agreement entered into, modified, or extended on or after the bill's effective date in violation of the bill is void.
- Allows a current or prospective worker to sue an employer that violates the bill.
- Allows a current or prospective worker to file a complaint alleging a violation of the bill with the Attorney General or the Director of Commerce.
- Requires the Attorney General or the Director to investigate those complaints.
- Allows the Attorney General to sue an employer on a complainant's behalf if the investigation reveals that the employer likely violated the bill.

### DETAILED ANALYSIS

#### Prohibited agreements

##### Noncompete agreements

The bill prohibits an employer from doing any of the following with respect to specified noncompete agreements:

- Entering or attempting to enter such an agreement;
- Presenting such an agreement to a worker or prospective worker as a term of hire;
- Attempting to enforce such an agreement.

The prohibition above applies to an agreement that, in whole or in part, prohibits the worker from, penalizes the worker for, or functions to prevent the worker from seeking or

accepting work with a person, or operating a business, after the conclusion of the relationship between the employer and worker, including any of the following:

- An agreement that the worker will not work for another employer for a specified period of time, not work in a specified geographical area, or not work for another employer in a capacity similar to the worker's work for the employer;
- An agreement that requires the worker to pay for lost profits, lost goodwill, or liquidated damages because the worker terminates the work relationship;
- An agreement that imposes a fee or cost on a worker for terminating the work relationship, including a replacement hire fee, a retraining fee, reimbursement for immigration or visa-related costs, or bondage fee;
- An agreement that requires a worker who terminates the work relationship to reimburse the employer for an expense incurred by the employer during the relationship for training, orientation, evaluation, or other service intended to provide the worker with skills to perform the work or to improve performance.

An agreement, or part of an agreement, between an employer and worker that violates the bill's prohibition is void. The bill specifies that it does not do either of the following:

- Prevent a person or government agency from paying or forgiving a debt or from providing other benefits to a person after the person completes a specified time period of employment or work relationship with an employer or other entity;
- Limit or prohibit any loan repayment assistance program or loan forgiveness program provided by a government agency.<sup>1</sup>

### **Agreements regarding venue and choice of law**

The bill prohibits an employer from requiring, as a condition of employment, a worker who primarily resides and does business in Ohio to agree to a provision of an agreement that does either of the following:

- Requires the worker to adjudicate a claim arising in Ohio in a venue or forum that is outside of Ohio;
- Deprives the worker of any substantive legal protection provided by Ohio law with respect to a controversy arising in Ohio.

An agreement, or part of an agreement, between an employer and worker that violates that prohibition is void, and the bill requires that the matter be adjudicated in Ohio and that Ohio law govern the dispute.<sup>2</sup>

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<sup>1</sup> R.C. 4119.02.

<sup>2</sup> R.C. 4119.03(A).

## **Exception**

The bill's prohibition regarding venue and choice of law does not apply to an agreement between an employer and worker who is individually represented by legal counsel in negotiating the terms of the agreement and, at the option of the worker, designates either the venue or forum in which a controversy arising from the agreement may be adjudicated or the choice of law to be applied. A worker is not individually represented by legal counsel if the counsel is paid for by, or was selected based on the suggestion of, the employer.<sup>3</sup>

## **Remedies**

### **Employee lawsuit**

A current or prospective worker may sue an employer for a violation of the bill. In the event a worker or prospective worker wins, the bill requires the court to award costs and reasonable attorney's fees to the worker or prospective worker. A court also may award any of the following, as appropriate: actual damages; punitive damages not to exceed \$5,000; and injunctive relief.<sup>4</sup>

### **Attorney General complaint and lawsuit**

A worker or prospective worker may file a complaint with the Attorney General alleging a violation of the bill. The Attorney General must investigate such a complaint. If, after investigating a complaint, the Attorney General determines that it is likely a violation has occurred, the Attorney General may sue the employer on behalf of the worker or prospective worker. In the event the Attorney General prevails, the court must award costs and reasonable attorney's fees to the Attorney General and any of the following to the worker or prospective worker as appropriate: actual damages, punitive damages not to exceed \$5,000, and injunctive relief. The bill requires the Attorney General to notify the Director of Commerce of any complaint submitted to the Attorney General that may constitute a violation of the bill.<sup>5</sup>

### **Director of Commerce complaint**

Alternatively, the bill allows a worker or prospective worker to file a complaint with the Director alleging a violation of the bill. The Director must investigate those complaints. If, after investigating a complaint, the Director determines that it is likely a violation has occurred, the Director must forward the complaint and the results of investigation to the Attorney General. The bill allows the Attorney General to sue the employer on behalf of the worker or prospective worker as discussed above.<sup>6</sup> The bill requires the Attorney General and the Director to enter into a written agreement coordinating their responsibilities with respect to the bill.<sup>7</sup>

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<sup>3</sup> R.C. 4119.03(B).

<sup>4</sup> R.C. 4119.04(A).

<sup>5</sup> R.C. 4119.04(B)(1).

<sup>6</sup> R.C. 4119.04(B)(2).

<sup>7</sup> R.C. 4119.04(C).

The bill specifies that it does not limit the rights of any person, or the obligations of any covered person, under any state or federal law that directly and specifically regulates the manner, content, or terms and conditions of any financial transaction, or any related account, product, or service, with respect to a consumer.<sup>8</sup>

## Applicability

The bill applies to any worker who is hired or under contract to provide services for a person, including the following:

- An employee;
- An independent contractor;
- An extern;
- An intern;
- A volunteer;
- An apprentice;
- A sole proprietor who provides service to a client or customer;
- An individual who provides service through a business or nonprofit entity or association.

Under the bill, an “employer” is any person who hires or contracts with a worker to perform services for the person.<sup>9</sup>

The bill applies to agreements entered into, modified, or extended on or after the bill’s effective date.<sup>10</sup>

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## HISTORY

Action	Date
Introduced	01-22-25

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ansb0011in-136/ks

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<sup>8</sup> R.C. 4119.04(D).

<sup>9</sup> R.C. 4119.01.

<sup>10</sup> R.C. 4119.02 and 4119.03.

Chairman of the Board  
**JEFFREY J. ORAVITZ**  
CEO, Seal for Life Industries and  
Arsenal Capital Partners



President  
**RYAN AUGSBURGER**

1/26/2024

**RE: OSHA's Walkaround Rule – Docket No. OSHA-202300008 / RIN 1218-AD45**

Members of the Ohio Congressional Delegation:

The Ohio Manufacturers' Association (OMA) – comprised of approximately 1,300 member companies, including the signatories below – strongly opposes the U.S. Department of Labor's proposed Occupational Safety and Health Administration (OSHA) rule change (RIN 1218-AD45). This rule would permit non-employees, including union personnel, to accompany OSHA inspectors during workplace inspections.

The safety and well-being of Ohio's manufacturing employees are paramount to our association. For more than a century, we have supported critical regulations that have enhanced workplace safety.

However, OSHA's proposed rule poses significant risks to our industry and the safety inspection process. Allowing non-employees to join inspections raises legitimate concerns among manufacturers – primarily in the areas of workforce safety, union organizing, and trade secrets.

Specifically, the proposed rule threatens Ohio manufacturers with the potential for the following:

- Deliberate union organizing tactics targeting non-union workers.
- Expansion of inspection scope beyond OSHA's original intent.
- Exposure of trade secrets and proprietary information.
- Misuse of information by attorneys involved in litigation.
- OSHA's unchecked discretion in selecting third-party individuals to join inspections.

We urgently request your attention to review and prevent the implementation of these rules using your congressional authority. This proposed rule change jeopardizes workplace stability and could result in substantial expenses for all parties involved in the inspection process.

Attached are the OMA's public comments, which provide an in-depth analysis of the detrimental impact this rule will have on Ohio's largest industry. Thank you for your service to Ohio and its manufacturing community.

Sincerely,

Ryan Augsburger  
President  
The Ohio Manufacturers' Association

Enclosure

Rable Machine Inc  
International Hydraulics  
Inc.  
Catania Medallie  
Wilkinson Law, Ltd  
ProFusion Industries  
Wells Manufacturing  
Company, LLC  
Miba Bearings US LLC  
Fox Lite, Inc.  
Herbert E. Orr Company  
Armaly LLC  
Taylor Metal Products  
Company  
Chemical Services Group,  
Inc.  
Brilex Industries, Inc.  
De Nora Tech LLC  
Fiber-Tech Industries  
Major Metals Company  
Haviland Drainage  
Products  
Ohio Transitional Machine  
& Tool Inc.  
Coyne Graphic Finishing  
Inc  
Modern Plastics Recovery  
Advanced Fiber  
Technology  
Haviland Culvert Company  
Haviland Plastic Products  
Universal Metal Products  
Inc.  
General Die Casters, Inc.  
Solmet Technologies  
OPC Polymers LLC  
Hirzel Canning Company  
BettsHD  
A&M Refractories, Inc.  
Eagle Elastomer Inc.  
Roki America Co., Ltd  
A&M Refractories, Inc.  
Pentaflex, Inc.  
Eastgate Group Ltd  
Contour Forming Inc.  
Applied Specialties, Inc.  
Syensqo  
Die Co., Inc.  
Heritage Thermal Services  
Mid West Fabricating  
Company

Advanced Fiber  
Technology  
Applied Specialties Inc  
Mid West Fabricating Co.  
Verhoff Alfalfa Mills, Inc.  
Mid West Fabricating Co.  
Mid West Fabricating  
Principle Business  
Enterprises, Inc.  
Electric Eel Mfg Co Inc  
Rhodes Manufacturing,  
LLC  
Osco Industries, Inc.  
Spartan Chemical  
Company, Inc.  
General Die Casters  
Cooper Enterprises, Inc.  
Mid West Fabricating  
The Dupps Company  
The Champion Company  
FabOhio, Inc.  
LIVI STEEL, INC.  
Wm. Sopko & Sons Co  
OPC Polymers LLC  
OPC Polymers LLC  
Tusco Limited Partnership  
Lukjan Metal Products  
Flexmag Industries, Inc.  
Spray Products  
Corporation  
Hitch-Hiker Mfg., Inc.  
Empire Die Casting  
Company  
High Tech Molding and  
Design, Inc.  
Staub Manufacturing  
Solutions  
Ohio Carbon Blank  
Fusion Ceramics, Inc.  
Thermotion, LLC  
Rudolph Foods  
Company, Inc  
Etched Metal Company  
John Cockerill Industry  
Zaclon LLC  
Mid West Fabricating  
Delta Systems Inc.  
Midwest Fabricating  
Mid West Fabricating  
Company  
Plaskolite, LLC

31 Inc  
Angel Printing &  
Reproduction Inc.  
Charter Steel  
International Metal Hose  
The Scotts Miracle-Gro  
Company  
NMG Aerospace  
White Castle System, Inc.  
The Belden Brick  
Company  
Midwest Fabricating  
Haviland Plastic Products  
AMG Vanadium LLC  
clafin company  
Central Coated Products  
Inc  
RESPONSE PIPING  
SYSTEMS  
Universal Metal Products,  
Inc.  
Ghent Manufacturing  
Profusioin Industries  
Norwalk Concrete  
Industries  
Chas Svec Inc  
Clarke Power Services,  
Inc.  
Harrison Paint Company  
The Lanly Company  
ScottsMiracle-Gro  
French Oil Mill Machinery  
Company  
Central Coated Products,  
Inc.  
GMI Companies  
Airstream  
The Yost Superior Co.  
Advanced Composites Inc.  
Liberty Casting Company  
Seilkop Industries, Inc.  
Summers Rubber Co  
Elliott Machine Works, Inc.  
EPP Inc.  
Haviland Drainage  
Products  
Channel Products Inc  
Riverview Industrial Wood  
Products  
McGregor Metal  
Robin Industries, Inc.

Columbiana Boiler  
Company, LLC.  
The Distillata Company  
Air Technical Industries,  
Inc.  
The Wilson Bohannan  
Company  
Built-Rite Box & Crate inc  
Bowerston Shale Co.  
Benchmark Woodworks  
Co.  
FC Brengman &  
Associates  
Warren Rupp, Inc.  
Creative Plastics  
International, Inc.  
Copeland  
Iten Industries Inc  
WURM'S  
WOODWORKING CO.  
Unverferth Manufacturing  
Company  
Jergens, Inc  
American Light Metals  
LLC, dba Empire Die  
Casting Company  
Fort Recovery Industries,  
Inc.  
G L Heller Co. Inc.  
DAI Ceramics LLC  
Lee's Grinding, Inc.  
LifeLine Mobile, Inc.  
Ferragon Corporation  
Lion Group, Inc.  
Smithers-Oasis Company  
Superior Forge & Steel  
Ernst Metal Technologies  
LLC  
Dayton Phoenix Group  
JB3Moto  
Integrated Development  
and Manufacturing  
Company  
Phillips Tube Group, Inc.  
R & J Cylinder and  
Machine, Inc.  
NEMCO FOOD  
EQUIPMENT CORP  
Durable Corporation  
Bernard Labs  
FC Brengman & Assoc.

CDC REAL ESTATE  
HOLDING LLC  
McWane Ductile Ohio  
PTC Inc  
FDI Cabinetry LLC  
American Bronze Corp  
Mechanical Rubber  
Coate Concrete Products  
Inc  
Johnson Bros. - West  
Salem Inc.  
OPC Polymers LLC  
Starr Manufacturing, Inc.  
Lukjan Metal Products, Inc  
Falcon Industries Inc  
Hi-Tek Manufacturing, Inc  
Starr Manufacturing, Inc.  
Starr Manufacturing, Inc.  
PPG  
Canfield Industries, Inc.  
Elite Biomedical Solutions,  
LLC  
Koester Corporation  
IMCO Carbide Tool Inc.  
THE BUCKEYE  
STAMPING CO INC  
Kaivac, Inc  
MTM MOLDED  
PRODUCTS COMPANY  
Lima Pallet Company Inc.  
Lima Pallet Company, Inc.  
French Oil Mill Machine  
CO  
HEXPOL Compounding  
Americas  
Kinetics Noise Control Inc  
G.L. HELLER CO. INC.  
T.J. Clark International,  
LLC  
Ft. Recovery Industries,  
Inc  
Nelson Manufacturing  
Company



October 17, 2023

VIA Electronic Submission (<http://www.regulations.gov>)

Attn: Mr. Douglas L Parker  
Assistant Secretary of Labor for OSHA  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

**Re: Public Comment – Worker Walkaround Representative Designation  
Process – Docket No. OSHA–2023–0008 / RIN 1218-AD45**

The Ohio Manufacturers' Association (OMA) is providing the Department of Labor's Occupational Safety and Health Administration (OSHA) with written comments on RIN 1218-AD45, the agency's proposed rulemaking that seeks to redefine the worker walkaround representative designation process.

The OMA is dedicated to protecting and growing manufacturing in Ohio by representing over 1,300 manufacturers where safety and health are paramount to their operations. For more than 100 years, the OMA has supported reasonable and necessary regulations that promote the safety and health of employees who work for OMA member companies. RIN 1218-AD45 is neither reasonable nor necessary to promote safety or health at work.

**History of OSHA's Walkaround Representative Policy**

Under current federal OSHA regulations, outside union officials and other third parties who do not work at the site are not automatically entitled to accompany an OSHA inspector during an OSHA inspection, often referred to as a "walkaround."

Per current regulation, a third party is permitted to attend an inspection only if OSHA believes "good cause has been shown why accompaniment by a third party who is not an employee of the employer (such as an industrial hygienist or a safety engineer) is reasonably necessary to the conduct of an effective and thorough physical inspection of the workplace." CFR § 1903.8(c).

On February 21, 2013, OSHA issued a letter of interpretation authored by then Obama-era OSHA Deputy Assistant Secretary Richard Fairfax (the Fairfax Memo) in response to questions posed by the United Steelworkers of America union. The Fairfax Memo unilaterally permitted union representatives or other third parties to accompany OSHA inspectors during onsite inspections even if the worksite was non-union and the "representative" was not an employee of the employer. This interpretation expanded who could accompany an OSHA inspector on a walkaround from "industrial hygienist or safety engineer" as defined by the

OSH Act, to unions, community organizations, and virtually anyone else acting on behalf of employees.

The National Federation of Independent Businesses sued OSHA in federal district court alleging that the Fairfax Memo's interpretation of the OSH Act amounted to a legislative rule adopted without notice and comment as required by the Administrative Procedures Act of 1946.

OSHA moved to dismiss the lawsuit, but the court found that the NFIB had stated a claim upon which relief could be granted. Before resolution of the lawsuit, however, President Trump was sworn into office, and on April 25, 2017, the Trump administration formally rescinded the guidance set forth in the Fairfax Memo, and the NFIB withdrew its lawsuit.

President Biden, who has repeatedly said, "I intend to be the most pro-union president leading the most pro-union administration in American history," has, through RIN 1218-AD45, resurrected *and expanded* the Fairfax Memo's ideologies.

### **Proposed Changes to OSHA's Walkaround Representative Policy**

The Executive Summary of RIN 1218-AD45 concedes, "a district court concluded that [the Fairfax Memo's] interpretation was not consistent with the regulation." OSHA is now using the rulemaking procedure to legitimize its position that unions and other third-party representatives may accompany employees during OSHA inspections. This rule seeks to make two significant and unnecessary changes to the law.

First, the current regulation states: "[t]he representative(s) authorized by employees **shall be an employee** of the employer." (emphasis added) The proposal rule would change this language to: "The representative(s) authorized by employees **may be an employee** of the employer **or a third party**."

Second, the current regulation allows a non-employee "such as an industrial hygienist or a safety engineer" only if it "is reasonably necessary to the conduct of an effective and thorough physical inspection of the workplace." In practice, only those with technical expertise and credentials, or perhaps a unique language interpreter, have been permitted to accompany an OSHA inspector on an inspection.

The proposed rule eliminates the requisite technical credentials when stating that a third-party representative may be "reasonably necessary" simply because of "relevant knowledge, skills, or experience with hazards or conditions in the workplace or similar workplaces, or language skills."

These changes do not make the workplace safer or healthier. They simply remove any qualifying barriers to who can traipse through a worksite. The Notice of Proposed Rulemaking admits this, too, when it states:

There are a multitude of third parties who might serve as representatives authorized by employees for purposes of the OSHA walkaround inspection, [including] worker advocacy organizations, labor organization representatives, consultants, or attorneys who are

experienced in interacting with government officials or have relevant cultural competencies may be authorized by employees to represent them on walkaround inspections.

Permitting just about anyone to accompany an OSHA inspection would convert the inspection from being focused on workplace safety to being an organizing tactic for unions, a litigation strategy for attorneys, and an opportunity to harass employers.

## **The Impact of the Proposed Changes to OSHA's Walkaround Representative Policy**

### **Union Organizing**

The OSH Act has always allowed an employee who is represented by a union to accompany OSHA inspectors conducting onsite inspections. But the proposed rule would allow union representatives access inside non-union workplaces.

This would give unions unprecedented leverage in union organizing campaigns by granting them the unfettered ability to communicate directly with non-union employees during an OSHA inspection while those employees are at work. Pro-union employees could file OSHA complaints and select a union representative to accompany the CSHO on the walkaround. Unions would also be incentivized to monitor OSHA complaint filings, contact employees, and attempt to receive authorization to attend walkarounds. Unions could then take credit for any subsequent OSHA citations in a thinly veiled attempt at demonstrating their value to non-union workers. Moreover, since anyone can file an OSHA complaint, a strong argument could be made that if the union files the OSHA complaint, the union is automatically an interested party and entitled to accompany the CSHO on the walkaround.

### **Expansion of Inspection**

CSHOs are only permitted to inspect allegations in the complaint or anything they see in plain view. This is called the "plain view doctrine." The proposed rule would expand the plain view doctrine by allowing union officials, community organizers, or others to physically walk with the CSHO but constantly scan other parts of the employer's facility to find potential violations of the OSH Act while the OSHA inspector is focused on inspecting the allegations of the complaint.

These additional sets of eyes could nefariously bring attention to unrelated parts of the facility necessitating a detour of the inspection. That detour would not only delay the conclusion of the inspection, but it could effectively convert a targeted inspection based on a complaint to an unnecessarily comprehensive and time-consuming "wall-to-wall" inspection. OSHA has neither the personnel nor budget for this effect.

### **Bilingual**

The Notice of Proposed Rulemaking permits CSHOs to allow bilingual community organizers or advocates with no relevant safety experience access to employees and the work site during an inspection solely because of their language skills. This is a big departure from the current rule that permits bilingual individuals if they have the requisite technical credentials.

If communicating with non-English speaking workers is a goal of OSHA, then OSHA could send one of its inspectors who speak the same language as the employee. Or OSHA could retain the services of an accredited translator. But that is obviously not the goal of the proposed rule. Instead, the rule is focused on allowing anyone employees desire to accompany them on the inspection and walk throughout the private parts of an employer's property.

### **Trade Secrets**

The proposed rule effectively permits anyone to accompany a CSHO during a walkaround inspection. This unfettered access to an employer's private property does not make the workplace safer or healthier. Alternatively, it exposes the employer's trade secrets and proprietary information to the public who has no legitimate right to access the private property or know the proprietary information.

Employers may be able to restrict third-party access to areas containing proprietary information, according to the proposed rule. But there is neither a guarantee that the restriction will be followed by the CSHO, that through the expansion of the plain view doctrine the third-party would not discover proprietary information in an area not within the scope of the initial inspection, or that the employer, CSHO, and third-party would not agree on whether the inspection will reveal proprietary information.

From a practical perspective, employers will declare the entire property is rife with proprietary information and deny any third-party access to it. This will result in delayed investigations, search warrants, and litigation over whether the third-party is entitled to accompany the CSHO and the parameters of that entitlement.

### **Attorneys Litigating against the Company**

Another potential abuse of this unnecessary extension of law is attorneys for injured or deceased workers who are preparing to sue an employer or are in the middle of a lawsuit against the employer. These unscrupulous attorneys could gain access to the inner workings of a company and discover things that are beyond the scope of the discovery process and the attorney would otherwise never have learned. Litigation has strict discovery procedures. The proposed rule would effectively make many of those procedures moot.

### **CSHO has Complete Discretion**

The participation of non-employees during an OSHA walkaround would not need the employer's approval. With only an inspector's permission, a community activist or a union's safety expert could participate in the inspection of a non-union manufacturer.

This authority is given to CSHOs without any oversight. CSHOs have the "authority to resolve all disputes as to who the representative is authorized by the employer and employees for the purpose of this section" 29 CFR 1903.8(b).

Nothing guides the CSHOs' decisions to ensure they follow the law. As drafted, the new rule will leave employers with no recourse, short of refusing an inspection, if a CSHO selects someone to accompany him or her on the inspection that the employer objects to joining the inspection.

Although the proposed regulation *currently* requires a CSHO to determine that the presence of a third party is "reasonably necessary," OSHA's request for public comments suggests it may scrap that requirement. OSHA has asked whether it should "defer to the employees' selection of a representative" without consideration of whether that representative would aid in the conduct of the inspection. This complete abscondence of a check and balance of who has access to a private company's property is absurd.

If finalized, the proposed rule will insert instability and unpredictability into the inspection process. It will open an unprecedented avenue for union organizing. And it will cause delay and increased expense to everyone involved in the OSHA inspection process.

The OMA appreciates the opportunity to provide these comments. If OSHA has any questions regarding the foregoing, please do not hesitate to contact me at (614) 224-5111.

Sincerely,



James Lee  
Director of Public Policy  
Ohio Manufacturers' Association

cc: Matt Shurte, Committee Chair



April 17, 2023

Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

**Re: Comments on Proposed Non-Compete Clause Rule, 16 CFR Part 910, RIN 3084-AB74 Matter No. P201200**

On behalf of the Ohio business community, we write to oppose the Federal Trade Commission's (FTC) proposed rule to impose a nationwide ban on nearly all non-compete clauses (16 CFR Part 910, RIN 3084-AB74 Matter No. P201200).

A total prohibition of non-compete clauses would have a significantly detrimental impact on Ohio's businesses, employees, and the state's economy at large. An overreaching near total prohibition would have a similar negative impact. These clauses are not only necessary sources of protection for employers, but a key incentive for businesses to attract talented employees and invest in their professional development.

Non-compete clauses are mutually beneficial for both employees and employers. The elimination of non-competing agreements will remove a key motivating factor to provide high-quality and specialized training to an employee who could potentially move to a competing firm.

These agreements are also fundamental in establishing trust between employers and employees. In many cases, comprehensive employee training programs require a company to provide privileged information to employees including some of the businesses' most valuable and highly protected trade secrets. Removal of such protections would inevitably make employers second-guess investing in their workforce; thereby limiting, or potentially eliminating, opportunities for employees.

Aside from the necessary benefits these agreements provide, enforcement and the reasonableness of non-compete clauses have historically been regulated at the state level. Ohio courts and the Ohio General Assembly have upheld these agreements as a legitimate tool. The law in the State of Ohio is well-established and sufficiently addresses whether a non-compete clause is reasonable. The Ohio judicial system, with decades of applicable precedent, is the proper venue for addressing any alleged harm from non-compete clauses, not the FTC.

The proposed rule would cause substantial harm to many Ohio businesses and employees. Our organizations urge the FTC to leave this matter to state authorities and refrain from implementation. Thank you for considering the perspective of Ohio's business community.

Sincerely,



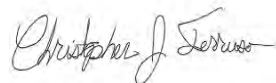
Ryan Augsburger  
President  
Ohio Manufacturers' Association



Steve Stivers  
President/CEO  
Ohio Chamber of Commerce



Gordon Gough  
President/CEO  
Ohio Council of Retail Merchants



Chris Ferruso  
State Director  
NFIB in Ohio



Pat Tiberi  
President/CEO  
Ohio Business Roundtable

CC:

Senator Sherrod Brown  
Senator JD Vance  
Representative Bill Johnson  
Representative Bob Latta  
Representative Brad Wenstrup  
Representative David Joyce  
Representative Emilia Sykes  
Representative Greg Landsman  
Representative Jim Jordan  
Representative Joyce Beatty  
Representative Marcy Kaptur  
Representative Mike Carey  
Representative Mike Turner  
Representative Max Miller  
Representative Shontel Brown  
Representative Troy Balderson  
Representative Warren Davidson

**TO: OMA Government Affairs Committee**  
**FROM: James Lee**  
**RE: Safety & Workers' Compensation Public Policy Report**  
**DATE: February 27, 2025**

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### **Overview**

As the General Assembly begins its new session, state lawmakers are prioritizing two key issues in the areas of safety and workers' compensation: marijuana reforms and budgets for the Industrial Commission and Bureau of Workers' Compensation.

After years of political gridlock preventing major reforms to Issue 2 marijuana laws, legislative leaders are now aligned, making statutory changes likely in the coming weeks.

So far, no significant policy changes have emerged in the Workers' Compensation and Industrial Commission budgets. However, trial lawyer interest groups may attempt to use these bills to overturn an employer-friendly decision granted by last year's Dillon ruling.

### **State Agency Leadership**

In November of last year, Governor DeWine's Chief of Staff, Stephanie McCloud, officially stepped away from her position to return to her previous role as the Ohio Bureau of Workers Compensation administrator. The OMA has enjoyed a long-time positive working relationship with McCloud and has welcomed her back to the BWC where she is once again providing strong leadership.

### **Safety & Workers' Compensation Legislation and Rules**

#### **Senate Bill 56: Recreational Marijuana Reforms:**

After a year of political gridlock, changes in statehouse leadership have created an opportunity for legislative reforms to Ohio's recreational marijuana laws. The Ohio Senate is advancing Senate Bill 56, which seeks to lower THC potency limits, restrict home cultivation, ban sharing, and eliminate the voter-approved social equity program. The bill also introduces stricter transport regulations, advertising restrictions, and employment-related penalties for cannabis users.

While the OMA opposes cannabis legalization due to workplace safety concerns, the Issue 2 statute includes strong protections for employers maintaining drug-free workplace policies. The OMA is working with lawmakers to ensure these provisions remain intact as reform bills move through committee.

#### **Senate Bill 86: Legislation to Regulate Delta 8 – Synthetic Marijuana**

Governor DeWine and members of the Senate have voiced their intent to place restrictions on Delta-8 THC, a milder form of the psychoactive compound in cannabis. The substance is facing a potential ban in Ohio as Governor Mike DeWine raises concerns about its under-regulation and accessibility to minors. SB 86, New legislation proposed by Senator Steve Huffman will be particularly impactful to manufacturers as proposed regulations will likely restrict access for workers under the age of 21 and outlaw packaging that will allow employees to secretly use the product on the job.

The product also opens employers to ambiguity in drug free workplace policies as the drug may or may not be reported on drug tests.

The OMA submitted testimony in support of last year's legislation to regulate delta 8, which can be found in today's materials. SB 86 was referred to Senate General Government and is awaiting its first hearing.

### Workers Compensation Budget

The BWC budget has been introduced in the House as House Bill 81. BWC's total request for the biennium is \$754.9 million, a slight 2.73% decrease from the bureau's last budget request.

The BWC budget does not contain significant changes to policy, however, the decision reducing overpayments will likely be targeted as a need for legislative amendments benefiting claimants lawyers at the expense of employers. The OMA will monitor and defend against any last minute attempts to push for policy changes in the Workers' Compensation budget.

### Industrial Commission Budget

As expected, the Commission's requested budget, House Bill 80, includes no major policy changes nor big increases in appropriation.

### Dillon Supreme Court Case to Save Employers on TTD Overpayment

The Dillon decision by the Ohio Supreme Court fundamentally alters the termination date for Temporary Total Disability (TTD) benefits, impacting employers significantly. Previously, TTD benefits could be terminated at the date of the Industrial Commission hearing officer's decision, causing potential overpayments. However, with Dillon, benefits can now be terminated on the date of Maximum Medical Improvement (MMI) as determined by any physician, including those hired by the employer, leading to an earlier termination of benefits. This change is anticipated to result in a surge of overpayments declared in Ohio, affecting employers' bottom lines.

The decision's longevity is uncertain, as it may face potential changes in the legislature. To mitigate overpayments, the Industrial Commission could expedite motions for benefit termination, potentially reducing costs for employers. Overall, Dillon promises to reduce claim costs and alleviate financial burdens on employers in Ohio. The OMA submitted a joint letter defending a recent ruling to the Industrial Commission, which can be found in today's materials.

### **Safety & Workers' Compensation News**

[Click here for Safety and Workers' Comp Community articles from previous Leadership Briefings](#)

## Workers' Compensation Legislation

Prepared by: The Ohio Manufacturers' Association

Report created on February 25, 2025

- HB80**      **INDUSTRIAL COMMISSION BUDGET (STEWART B)** To make appropriations for the Industrial Commission for the biennium beginning July 1, 2025, and ending June 30, 2027, and to provide authorization and conditions for the operation of Commission programs.  
*Current Status:* 2/26/2025 - House Public Insurance and Pensions, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-80>
- HB81**      **BWC BUDGET (STEWART B)** To make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2025, and ending June 30, 2027, to provide authorization and conditions for the operation of the Bureau's programs, and to make changes to the Workers' Compensation Law.  
*Current Status:* 2/26/2025 - House Public Insurance and Pensions, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-81>
- SB56**      **MARIJUANA-REVISE LAWS, LEVY TAXES (HUFFMAN S)** To consolidate the administration of the marijuana control program, revise the medical and adult-use marijuana laws, and to levy taxes on marijuana.  
*Current Status:* 2/26/2025 - Senate General Government, (Third Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-56>
- SB86**      **REGULATE HEMP, CANNABINOID PRODUCTS (HUFFMAN S, WILKIN S)** To generally prohibit the sale of intoxicating hemp products, except for sales at licensed dispensaries; to regulate drinkable cannabinoid products, and to levy taxes on drinkable cannabinoid products and other intoxicating hemp products that may be sold.  
*Current Status:* 2/12/2025 - Referred to Committee Senate General Government  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-86>

Chairman of the Board  
**JEFFREY J. ORAVITZ**  
CEO, Seal for Life Industries and  
Arsenal Capital Partners

President  
**RYAN AUGSBURGER**



November 19, 2024

The Honorable Shane Wilkin  
Chairman  
Senate General Government Committee  
Ohio Statehouse  
1 Capitol Square  
Columbus, OH 43215

**RE: Senate Bill 326 – Written Proponent Testimony**

Dear Chairman Wilkin and Members of the Senate General Government Committee:

The Ohio Manufacturers' Association (OMA) strongly supports Senate Bill 326, which prohibits the sale of intoxicating hemp products in Ohio. This legislation addresses critical concerns for the manufacturing sector, including workplace safety, regulatory clarity, and fair enforcement.

The OMA represents over 1,300 manufacturers, employing hundreds of thousands of Ohioans. Our members are committed to fostering safe, productive, and well-regulated workplaces. SB 326 will help protect Ohio workers, clarify legal obligations, and reinforce the state's reputation as a leader in safe and innovative manufacturing.

Unregulated intoxicating hemp products, such as those containing delta-8 THC, undermine workplace safety and complicate employers' ability to maintain drug-free policies. The bill's clear definitions and prohibition of products with intoxicating THC levels will resolve regulatory ambiguities, providing manufacturers with the certainty needed to enforce compliance and protect workers. Furthermore, the bill's enforcement mechanisms and penalties ensure accountability and deter bad actors from exploiting legal loopholes.

The OMA appreciates the leadership of the bill sponsor on this issue and urges the committee to support this important piece of legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Lee'. The signature is fluid and cursive, written over a white background.

James Lee  
Managing Director, Public Policy Services  
Ohio Manufacturers' Association  
[jlee@ohiomfg.com](mailto:jlee@ohiomfg.com)



**BEFORE THE GENERAL GOVERNMENT COMMITTEE  
THE OHIO SENATE  
SENATOR MICHAEL A. RULLI, CHAIR**

**HOUSE BILL 86 – THE ADULT USE OF MARIJUANA  
TESTIMONY OF BILL CREEDON  
THE OHIO MANUFACTURERS' ASSOCIATION**

**DECEMBER 5, 2023**

Chair Rulli, Vice-Chair Schuring, Ranking Member DeMora, and members of the Senate General Committee, thank you for the opportunity to provide testimony regarding possible changes to the regulatory structure for the adult use of marijuana recently adopted by Ohio voters.

My name is Bill Creedon. I am an attorney with the law firm of Bricker Graydon, representing The Ohio Manufacturers' Association (OMA). Created in 1910 to advocate for Ohio's manufacturers, the OMA today has approximately 1,300 members statewide. Its mission is to protect and grow Ohio manufacturing.

As you may know, manufacturing is the largest of the state's 20 major industry sectors. As of Q3 2022, manufacturing contributed more than \$130 billion annually to Ohio's economy, accounting for nearly one-fifth of Ohio's private industry GDP.

Ohio voters spoke clearly to approve the adult use of marijuana. Respecting that outcome, OMA calls upon the General Assembly to enact modest changes to the language of the initiated statute to alleviate concerns OMA, and others in the business community, voiced during the Issue 2 campaign about workplace safety, employer protections, and private property rights. The General Assembly can both respect the will of the voters and establish a sensible legal framework.

### **Preserve Employer Protections**

Employers have an affirmative duty to maintain a safe and healthy work environment. OMA has championed policies to improve workplace safety and protect the well-being of employees across Ohio. This includes the employer rights provisions in Ohio Revised Code Section 3796.28, enacted in 2016 (S.B. 253) as part of Ohio's medical marijuana program. Those provisions were thoroughly vetted and serve as a model framework, encompassing strong protections for employers, sufficiently providing businesses with the right to enact workplace policies deemed suitable for that employer. Importantly, ORC 3796.28 ensures that Ohio employers are not required to permit an employee's use, possession, or distribution of marijuana. Put another way, an employer can choose the

workplace policy that works best for their business. That includes having no policy, maintaining a drug-free workplace, or even having a zero-tolerance policy, meaning a policy forbidding their employees from using, possessing or distributing marijuana at any time or place.

Issue 2 largely copied ORC 3796.28. Therefore, we urge the General Assembly to maintain the established employer protections in ORC section 3796.28 for all types of marijuana. That includes applying ORC 3796.28(C), which was adopted in the budget during the 134th General Assembly, and specifies that employers do not violate any anti-discrimination laws when they enforce their drug free workplace policies.

The proposed language ensures that the employer protections proposed for the adult use of marijuana are fully aligned with the employer protections established in ORC 3796.28. We are aware of other proposals seeking to add additional language to those provisions. While well intended, we strongly discourage the addition of unnecessary or duplicative language that could lead to unintended and unpredictable legal consequences.

### **Private Property Rights:**

The Issue 2 statute lacks clarity on private property owners' authority to regulate the adult use of marijuana beyond existing smoking bans, raising concerns about its implications for property rights. Ambiguities surrounding public spaces and accommodation of the adult use of marijuana within the statute need clarification to grant private property owners' discretion. We would respectfully ask that whatever legislation is adopted, the rights of property owners with respect to the adult use of marijuana on their property are completely clear.

### **Tax Distribution:**

The allocation of tax revenue authorized by Issue 2 is limited and fails to encompass critical areas such as law enforcement and broader community services. It is the legislature's prerogative to make appropriations prioritizing these critical government functions.

In conclusion, Ohio is enjoying a surge of new development thanks to the state's favorable business climate, and we urge the Ohio General Assembly to prioritize preserving these essential employer protections to maintain Ohio's economic momentum while addressing Issue 2's electoral outcome. The retention of these safeguards is imperative to uphold workplace safety standards, protect employee well-being, and enable employers to maintain productive and secure work environments.

Dear Industrial Commission Rules Advisory Task Force Members,

On behalf of the employer community and its partners, the undersigned organizations express their strong support for the outcome in *Dillon* and encourage the Industrial Commission to implement an updated rule completely aligned with the Ohio Supreme Court's decision. This issue is of great importance to employers, and we strongly believe the Industrial Commission should formulate guidance for its hearing officers and institute rules based upon the law. *Dillon* unequivocally requires TTD compensation to be terminated as of the date MMI has been reached, which necessitates the need to revise Adjudications Memo D2 to reflect this requirement. While some are encouraging the Industrial Commission to limit, amend, or even disregard *Dillon* based upon erroneous objections, we contend any outcome other than complete adoption of *Dillon*'s central holding into the Industrial Commission's rules is contrary to law.

The employer community supports *Dillon*, first and foremost, because it was correctly decided. The Court's decision in *Dillon* is entirely consistent with the relevant statutory language and should serve as the basis of the Industrial Commission's revised rule<sup>1</sup>. Ohio Revised Code 4123.56(A) plainly states TTD compensation "payments shall continue pending the determination of the matter, however payment **shall not be made** for the period when any employee... has reached maximum medical improvement." (emphasis added). The unambiguous language of ORC 4123.56(A) precludes eligibility for TTD compensation once MMI has been reached. As defined by Ohio Administrative Code 4121-3-32(A)(1), MMI is a treatment plateau at which no additional fundamental functional change of the injury is to be expected. OAC 4121-3-32 does not contemplate the date of administrative hearing as a factor in determining when MMI has been reached, and neither should the Industrial Commission.

Moreover, OAC 4121-3-32 authorizes hearing officers to declare an overpayment of TTD compensation when he or she "determines that the injured worker was not justified in receiving temporary total disability compensation prior to the date of hearing." Concern has been expressed that *Dillon* creates a new rule allowing retroactive termination of TTD compensation, but this is already permitted under OAC 4121-3-32. It was the now overruled *Russell* decision, not the statute or rules, which required TTD compensation to continue until the date of hearing. Again, the *Dillon* decision aligns the case law with the statutory and regulatory framework and any policy that seeks to deviate from that framework requires a legislative enactment.

The central holdings of *Dillon* – affirming an injured worker is precluded from receipt of TTD compensation once the evidence demonstrates MMI has been achieved and the overruling of *Russell* – are fair, reasonable, and easy to implement. When a hearing officer makes a finding that MMI has been reached, he or she must cite to the evidence supporting this conclusion. The evidence relied upon opines MMI was reached as of the date of the medical examination, not the date of hearing. It is fair and reasonable that the date of the medical evidence relied upon is the proper date for MMI, after which the injured worker is not entitled to TTD compensation. Failing

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<sup>1</sup> Curiously, Adjudications Memo D2 as presently instituted does not cite ORC 4123.56 at all, but rather only cites *Russell*.

to provide clear guidance, and thereby allowing hearing officers to ignore *Dillon* and find MMI as of the date of hearing, is untenable. Further, attempts to craft new policy with rebuttable presumptions, or any other modification to the statutory language, is contrary to the law and requires a legislative solution.

Two primary objections relating to *Dillon* have been raised to the members of the Rules Advisory Task Force in an attempt to limit the obvious and necessary revisions required to Adjudications Memo D2. First, it is claimed that finding MMI prior to the date of hearing will create complicated issues surrounding overpayments. Second, retroactive termination of TTD compensation is a violation of due process. Therefore, it is argued, the Industrial Commission should continue the *Russell* policy despite *Russell* being overruled.

While it is correct that a finding of MMI prior to the hearing date will create an overpayment, this issue does not need to be addressed in Memo D2. In fact, the current version of Memo D2 does not speak to overpayments. The potential for disputes over the applicability of ORC 4123.511(K) cannot stand in the way of updating Memo D2.

As to the argument that adoption of *Dillon* violates an injured worker's due process rights, in actuality, what *Dillon* does is restore the due process rights of employers that have been circumvented for the past 25 years. Until *Dillon*, employers had paid unknown amounts of TTD compensation to injured workers between the date of an IME that found the injured worker to be at MMI and the date the Industrial Commission set a hearing on a motion to terminate TTD compensation. This compensation was paid without any opportunity for the employers to dispute the injured worker's entitlement to receive it, despite having evidence to the contrary. All *Dillon* changes is that it now provides both parties – injured workers and employers – the opportunity to exercise their due process rights regarding the injured worker's eligibility for TTD compensation between the date of the IME and the date of hearing.

Enclosed with this letter is a jointly submitted proposed update to Adjudications Memo D2. The employer community strongly feels it is necessary to have a clear policy, grounded in the law, which provides clarity to all parties regarding this issue. To this end, the undersigned organizations have agreed upon the following revision to Adjudications Memo D2:

When terminating ongoing temporary total disability compensation due to a finding of maximum medical improvement, temporary total disability compensation shall be paid through the date of the hearing. Where the hearing officer finds that maximum medical improvement has been reached, temporary total disability compensation shall be terminated as of the date of the medical evidence upon which the determination is made.

**NOTE:** ORC 4123.56; State ex rel. Dillon v. Industrial Comm., Slip Op., 2024-Ohio-744, overruling State ex rel. Russell v. Industrial Comm., 82 Ohio St. 3d 516, 696 N.E.2d 1069 (1998).

Thank you for the opportunity to provide suggestions and feedback while the Industrial Commission considers this important rule revision.

Respectfully submitted,



Ohio Self-Insurers Association



Ohio Council of Retail Merchants



National Federation of Independent Businesses



The Ohio Manufacturers' Association



Ohio Business Roundtable



Ohio Farm Bureau

**TO: OMA Government Affairs Committee**  
**FROM: James Lee**  
**SUBJECT: Tax and Finance Public Policy Report**  
**DATE: February 27, 2025**

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### **Overview**

The Ohio General Assembly is entering a budget year focused on tax policy, financial programs, and funding for Agency initiatives. The process will run through the end of June to establish the state budget for operation funds in the next two fiscal years.

Governor DeWine is proposing a \$61 billion budget that reflects a significant decrease due to the absence of federal COVID relief funds. Currently, the state is in relatively healthy financial shape, but lawmakers will face significant challenges in balancing revenues to support ongoing programs while simultaneously pushing for significant tax cuts. Members of the House and Senate are reviewing the governor's proposal and will reveal their own budgets based on the House and Senate's priorities. Legislators have already proposed legislation that they will attempt to include in the state budget, which encompasses new childcare tax incentives for employers, potential reforms to property taxes, a flat income tax rate, and discussions surrounding the future of the Commercial Activity Tax. While the OMA is monitoring these proposals, there is also a need to be vigilant against costly legislative initiatives to manufacturers that were defeated in the last general assembly that are likely to resurface.

On the federal level, the National Association of Manufacturers are making statements regarding the disruptive tariffs resulting from the Trump Administration's aggressive trade negotiation tactics, which include newly proposed tariffs on both allied and adversarial trade partners. They are also beginning nationwide travel in Ohio to advocate for the renewal of the 2017 Trump Tax Reforms.

### **JobsOhio Extension**

Last week, the state legislature approved a 15-year extension of JobsOhio's control over the state's liquor enterprise, recognizing its vital role in driving manufacturing growth. The OMA supported the move, emphasizing JobsOhio's success in attracting major manufacturing investments through critical tax and financial incentives, workforce training, and site development. This extension ensures JobsOhio's long-term financial stability, allowing Ohio to remain competitive in securing high-impact industrial projects and strengthening its position as a manufacturing leader. The OMA's letter of support for the extension can be found in today's materials.

### **State Revenues and Ohio's Financial State**

Ohio Budget Director Kimberly Murnieks reported strong numbers for Ohio's budget heading into the next two-year cycle, with a healthy rainy-day fund exceeding \$3.8 billion. A major hurdle for lawmakers in the upcoming budget will be the lack of one-time federal funds provided by the Biden Administration's congressional initiatives, requiring a return to balancing revenues—primarily sales and income taxes—with ongoing state programs. DeWine's proposed budget was \$25 billion less than the current budget, accounting for the loss of federal dollars. Despite this shift, Republican lawmakers are continuing to push for tax cuts with aims to eliminate the income tax in future budget years. For a more detailed breakdown on state revenues, see the report from today's special guest presenter, Greg Browning, in the meeting materials.

## **DeWine State Budget Highlights and Projections**

Gov. Mike DeWine unveiled a \$61 billion state budget for 2026-2027, significantly lower than the previous budget due to the absence of federal COVID relief funds, demonstrating a shift back to pre-pandemic budget restraints. DeWine's Plan highlights include:

- A new \$1,000 per child (6 and under) tax credit, funded by a \$1.50 per pack increase in tobacco taxes.
- Increasing subsidized childcare.
- Expanded school-based healthcare.
- \$100 million in funding to increase housing in rural areas.

To pay for new proposals, the governor is pushing for increased taxes on sports gambling (20% to 40%) and recreational cannabis (10% to 20%) to support stadium renovations and law enforcement initiatives. Republican lawmakers have pushed back on elements of the budget, particularly the sin tax increases, while advocating for further income and property tax cuts.

## **Tax & Finance Legislation**

### **SB 3: Flat Income Tax Rate**

The Ohio Senate has taken its first step toward eliminating the state income tax with SB 3, which proposes a flat 2.75% rate. Republican sponsors Sen. Steve Huffman and Sen. George Lang argue it will boost the economy, attract businesses, and reverse population decline. Senate President Rob McColley and Speaker Huffman support the plan, with McColley calling it a natural progression of Ohio's tax cuts. This move follows discussions of a phase down in Ohio's income tax that were debated last year, with bills proposing a 6 to 8 year phasedown toward elimination with CAT elimination being included in earlier proposals, which were not included in SB 3. The OMA is monitoring this legislation.

### **Childcare Tax Incentives for Employers: HB 41 & SB 32**

In addition to DeWine's \$1,000 child tax credit aimed to offset childcare costs, significant spending and tax incentive policies are being proposed for childcare in the legislature. Notably, HB 41 aims to provide grants for companies to form public-private partnerships to expand childcare access, while SB32 introduces a cost-sharing program between employees and employers for childcare expenses.

### **Property Tax Debate and New Legislation Incoming**

Aside from the push to reduce income taxes, both chambers are likely to focus on reforms to property taxes. The Senate is likely to explore budget-neutral proposals, including a property tax circuit breaker and a revamped homestead exemption, while resisting new tax deductions or exemptions. SB 342, a reintroduced tax plan from Sen. Blessing and Sen. Kent Smith (D-Euclid) will also be reviewed, focusing on redistributing tax revenues to fund local governments, public libraries, affordable housing, and social programs. More tax bills are likely to be introduced within the coming weeks as more budget-focused hearings are set to ramp up.

Representative Bill Roemer, Chairman of the House Ways and Means Committee, will provide more insights on legislative tax initiatives in today's presentation.

### **ODJFS Proposes Employer Fee for UI Software Upgrades**

The Ohio Department of Job and Family Services' (ODJFS) budget proposal includes a new employer fee to fund a much-needed upgrade to the state's outdated unemployment benefits IT system, which is over 20 years old. The fee would be up to 0.15% of the taxable wage base per year for each covered employee, equating to a maximum of \$13.50 annually. This modernization aims to enhance system security, streamline application processes, and improve user experience.

for both employers and claimants. Without this fee, ODJFS warns that maintaining the aging system will incur rising costs and limit the agency's ability to implement necessary updates.

### **Past Legislation Likely to Return**

#### **Prompt Pay Defeated in Lame Duck, Expected to Resurface**

The OMA led the charge in defeating House Bill 203, the Prompt Pay Act, during last year's lame duck session. The proposal would have mandated 30-day payment terms in construction contracts, eliminated owners' negotiation rights, and imposed an 18% penalty fee plus attorneys' fees at the owner's expense. Despite strong labor support and a last-minute push from proponents, OMA's coalition-building activities and legislative advocacy successfully blocked the bill in the Senate.

#### **Manufacturing Technologies Assistance Program (MTAP) Reintroduction**

The OMA has been working with a pair of bill sponsors on legislation that would create the Ohio Manufacturing Technologies Assistance Program (MTAP). This program would assist small to medium-sized manufacturers by providing grants of up to \$150,000 for investing in modern smart technologies, machinery, equipment, and training. It is designed to enhance productivity, efficiency, and competitiveness in Ohio's manufacturing industry.

The concept was introduced in HB 435 last year and received a hearing for proponent testimony where several OMA members testified before the Ohio House Finance Committee to support the bill, including Ethan Karp from MAGNET, John Holeman from TOSOH SMD, and Dale Foerster from Starr Manufacturing. The bill will soon be reintroduced and placed for consideration to be included in this year's operating budget. That testimony is included in today's materials.

#### **Unemployment Insurance Solvency Reform Likely to be Revisited**

The proposal for new employer fees from ODJFS mentioned above have reopened conversations for the business community to once again pursue long needed reforms to Ohio's insolvent unemployment compensation system. Last budget cycle, the OMA testified in support of SB 116, which aimed to reform Ohio's unemployment compensation system by implementing a sliding scale for eligibility, eliminating the dependency clause, and increasing the taxable wage base, which would enhance the system's stability and solvency. These reforms are critical for employers to prevent costly tax penalties on employers during economic downturns that were experienced during the 2008 recession and narrowly avoided during the pandemic.

#### **Public Safety Pension Tax Increase on Employers**

Last year, the Ohio House proposed significant increases in pension funding for first responders through House Bill 296, which aimed to raise employer contributions to the Ohio Police and Fire Pension Fund from 19.5% to 24% by 2030, resulting in a 20% increase in taxpayer liability for jurisdictions with police forces.

The OMA opposed the bill, arguing it would impose substantial tax burdens on residents and potentially weaken public safety services by discouraging citizens from supporting future necessary tax increases. The OMA also highlighted that recent wage increases for public safety officers have already strengthened the pension fund, warranting a reassessment of its needs. Alongside a coalition of business groups, the OMA advocated for a pause on the bill to allow for further study of its fiscal implications for local jurisdictions. Public comments can be found in today's meeting materials.

#### **Future of the CAT Tax in Question**

In the last budget cycle, the legislature significantly undermined the fairness and foundation of the Commercial Activity Tax (CAT). Recent cuts reduced the number of CAT payers by ninety

percent, causing the share of payers in the manufacturing sector to double from 10% to 22%, thereby placing an unfair and disproportionate burden on the industry. Manufacturers now face the risk of substantial tax increases during revenue shortfalls, as policymakers may be inclined to raise CAT rates despite the diminished tax base.

While discussions were initiated by lawmakers in the last general assembly about potentially eliminating the CAT altogether in future legislation, those efforts seem to have stalled. It is essential for manufacturers to engage in future discussions to develop a strategy that protects the industry from the threat of new taxes that could arise from budget shortfalls.

### **State Approves \$452M Tax Credit for Major Defense Manufacturer Anduril**

Defense contractor Anduril secured \$452 million in state tax credits over 30 years in exchange for maintaining operations for 33 years and creating 4,000+ jobs by 2035. The company plans to invest \$900 million in its new “Arsenal-1” complex near Rickenbacker International Airport, producing drones, missiles, and autonomous weapons. The facility, expected to open in 2035, will employ 4,008 workers with an average salary of \$132,000.

### **National Association Of Manufacturers Activities on Tariffs, Tax Reform**

The National Association of Manufacturers (NAM) released a statement expressing concern over executive orders imposing significant tariffs on imports from Canada, Mexico, and China, emphasizing the importance of maintaining strong North American supply chains to support U.S. manufacturing competitiveness. NAM President and CEO Jay Timmons highlighted that while addressing the crisis of illicit drugs is essential, the proposed 25% tariffs could severely disrupt supply chains and negatively impact small and medium-sized manufacturers, ultimately jeopardizing American jobs and economic growth.

On the other end of tax policy, the OMA Joined the NAM as they kicked off a nationwide tour at the Ohio Statehouse celebrating the importance of the manufacturing industry and emphasizing the need for renewal of the 2017 Trump Tax reforms that have enhanced the industry’s ability to remain competitive and create jobs. The NAM highlighted the need to maintain the 21% corporate rate, preserve the 20% pass-through deduction and protect the reduced individual rates.

### **Tax & Finance News**

**[Click here for Tax & Finance Community articles from previous Leadership Briefings](#)**

**Taxation Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on February 19, 2025**

- HB14**      **INCORPORATE FEDERAL TAX CHANGES** (ROEMER B, WORKMAN H) To expressly incorporate changes in the Internal Revenue Code since March 15, 2023, into Ohio law and to declare an emergency.  
**Current Status:** 2/19/2025 - **PASSED BY SENATE**; Vote 32-0, Emergency Clause 32-0  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-14>
- HB28**      **ELIMINATE REPLACEMENT PROPERTY TAX LEVY AUTHORITY** (MATHEWS A, HALL T) To eliminate the authority to levy replacement property tax levies.  
**Current Status:** 2/5/2025 - Referred to Committee House Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-28>
- HB30**      **PHASE DOWN INCOME TAX-2.75%** (MATHEWS A, LAMPTON B) To phase-down the state income tax to a flat rate of 2.75% over two years.  
**Current Status:** 2/5/2025 - Referred to Committee House Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-30>
- HB39**      **TAX DEDUCTION-OVERTIME WAGES** (FISCHER T, SANTUCCI N) To allow a state income tax deduction for overtime wages.  
**Current Status:** 2/5/2025 - Referred to Committee House Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-39>
- HB48**      **TAX CHANGES-529, ABLE CONTRIBUTIONS** (MATHEWS A, SANTUCCI N) To modify the income tax deductions for contributions to 529 plans and ABLE accounts.  
**Current Status:** 2/5/2025 - Referred to Committee House Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-48>
- HB61**      **MODIFY HOMESTEAD EXEMPTION, OWNER-OCCUPANCY CREDIT** (THOMAS D, DANIELS J) To modify the amount of the homestead exemptions and owner-occupancy property tax credit.  
**Current Status:** 2/19/2025 - House Ways and Means, (First Hearing)  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-61>
- HB69**      **TAX DEDUCTION CHANGES** (PETERSON B, CLAGGETT T) To allow taxpayers to deduct in a single year the full bonus depreciation and enhanced expensing allowances the taxpayer deducts for federal income tax purposes.  
**Current Status:** 2/12/2025 - Referred to Committee House Ways and Means  
**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-69>

- HB87**      **TAX SUPPORT-CHILDREN, CHILD CARE** (CLICK G, KLOPFENSTEIN R) To authorize tax incentives for conceived children and certain child care items and to name this act the Strategic Tax Opportunities for Raising Kids (STORK) Act.  
*Current Status:* 2/12/2025 - Referred to Committee House Ways and Means  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-87>
- HB89**      **TEMPORARY PROPERTY TAX REDUCTION** (SCHMIDT J) To authorize a temporary property tax reduction.  
*Current Status:* 2/12/2025 - Referred to Committee House Ways and Means  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-HB-89>
- SB3**      **PHASE DOWN OHIO INCOME TAX** (LANG G, HUFFMAN S) To phase-down the state income tax to a flat rate of 2.75% over two years.  
*Current Status:* 1/29/2025 - Referred to Committee Senate Ways and Means  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-3>
- SB42**      **AUTHORIZE LOCAL GOVT.-RESIDENTIAL STABILITY ZONES** (REYNOLDS M, CRAIG H) To authorize local governments to create residential stability zones where homeowners may qualify for a partial property tax exemption.  
*Current Status:* 2/12/2025 - Senate Local Government, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-42>
- SB43**      **REPEAL SPECIAL COUNTY LODGING TAX** (O'BRIEN S, LANG G) To repeal the authorization of a special county lodging tax.  
*Current Status:* 2/11/2025 - Senate Ways and Means, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-43>
- SB81**      **AUTHORIZE PROPERTY TAX FREEZE-OWNER-OCCUPIED HOMES** (PATTON T) To authorize a property tax freeze for certain owner-occupied homes.  
*Current Status:* 2/18/2025 - Senate Ways and Means, (First Hearing)  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-81>
- SB86**      **REGULATE HEMP, CANNABINOID PRODUCTS** (HUFFMAN S, WILKIN S) To generally prohibit the sale of intoxicating hemp products, except for sales at licensed dispensaries; to regulate drinkable cannabinoid products, and to levy taxes on drinkable cannabinoid products and other intoxicating hemp products that may be sold.  
*Current Status:* 2/12/2025 - Referred to Committee Senate General Government  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-86>
- SB88**      **OHIO PROPERTY PROTECTION ACT** (JOHNSON T) To modify the law that prohibits certain governments, businesses, and individuals from acquiring certain real property and to name this act the Ohio Property Protection Act.  
*Current Status:* 2/12/2025 - Referred to Committee Senate General Government  
*State Bill Page:* <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-88>

**SB90**      **ESTABLISH REGULATORY SANDBOX PROGRAM** (CUTRONA A, LANG G) To create a regulatory relief division within the common sense initiative office and to establish a universal regulatory sandbox program.

**Current Status:** 2/12/2025 - Referred to Committee Senate General Government

**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-90>

**SB93**      **DECLARE INTENT-NEW SCHOOL FINANCING SYSTEM** (BRENNER A) To declare the General Assembly's intent to establish a new school financing system that provides a statewide per-pupil funding payment to public and chartered nonpublic schools based on a single statewide property tax and increased state sales tax.

**Current Status:** 2/12/2025 - Referred to Committee Senate Finance

**State Bill Page:** <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA136-SB-93>



February 5, 2025

Ohio Office of Budget and Management  
30 E Broad St  
34<sup>th</sup> Floor  
Columbus Ohio 43215

**Re: Manufacturers' Support 15 Year Extension for JobsOhio**

Dear Members of the Ohio Controlling Board,

On behalf of the Ohio Manufacturers' Association (OMA) and our nearly 1,300 member companies, we write in support of the 15-year extension of JobsOhio's current franchise of the State's spirituous liquor enterprise. The OMA's sole mission is to protect and grow Ohio's manufacturing sector, and JobsOhio has been vitally important in achieving that goal by driving strategic investments that strengthen the state's industrial base and workforce.

Since its inception, JobsOhio has positioned Ohio as a leader in economic development, consistently landing Ohio as one of the top ranked states for new projects and job creation. Its unique funding model—supported by liquor enterprise revenues rather than public funds—has allowed it to be agile, proactive, and highly competitive in securing major investments. This approach has been instrumental in bringing high-impact manufacturing jobs to Ohio.

Manufacturing is the largest contributor to Ohio's GDP, supporting nearly 700,000 jobs and driving more than \$130 billion in annual economic output. JobsOhio plays a crucial role in ensuring manufacturers can thrive by providing site development funding, workforce training support, and strategic incentives that help Ohio compete for large-scale projects. With economic development costs rising due to inflation and higher capital expenses, extending JobsOhio's franchise through 2053 will provide the long-term financial stability needed to continue this work.

Now is the time to act. Ohio is competing for 10 additional megaprojects, and recently enacted legislation allows JobsOhio to enter into 30-year agreements—meaning businesses need certainty that JobsOhio will remain a reliable partner for the long haul. Extending the lease now will send a strong signal that Ohio is committed to fostering an environment where manufacturers can invest, expand, and create jobs.

We urge the Controlling Board to approve this extension and protect the critical role JobsOhio plays in advancing Ohio's manufacturing strength and economic future. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Lee".

James Lee  
Managing Director, Public Policy Services



December 10, 2024

The Honorable Jerry Cirino  
Ohio Senate  
1 Capitol Square  
Ground Floor  
Columbus OH, 43215

**Re: Opposition to HB 203 – Protecting Freedom of Contract and Ohio’s Economic Competitiveness**

Dear Chairman Cirino,

As members of Ohio’s business community, we write to express our strong opposition to House Bill 203, also known as the Prompt Pay Act.

We are deeply concerned about the timing and speed with which this bill is being advanced. More time is needed to thoroughly assess and deliberate a measure with such significant economic implications. Rushing HB 203 without proper consideration risks unintended consequences that could negatively impact Ohio’s businesses, investors, and overall economic competitiveness.

While we fully support the principle that all parties engaged in construction and maintenance projects should be paid in accordance with the agreed-upon terms in their contracts, HB 203 introduces sweeping mandates that will harm Ohio’s economy, undermine the freedom of contract, and disrupt the state’s business environment.

HB 203 would require private construction project owners to pay contractors within 30 days of receiving a payment application or face extreme penalties, including an 18% interest rate and liability for contractors’ legal fees. There are several problematic provisions in the bill:

1. **Interfere with Freedom of Contract Negotiations:** Businesses must retain the ability to negotiate payment terms tailored to the specific needs of all parties. HB 203 imposes a one-size-fits-all mandate, undermining this foundational principle.
2. **Deter Investment in Ohio:** Punitive measures like an 18% interest rate and guaranteed legal fees for contractors could deter future investment in Ohio. Businesses may hesitate to undertake development projects in the state, fearing disproportionate penalties, potentially leading to job losses and decreased economic activity.
3. **Encourage Frivolous Lawsuits with No Financial Risk to the Plaintiffs:** The bill’s attorneys’ fees provision could foster unnecessary litigation, creating a cottage industry of lawsuits from bad actors over minor disputes. This would divert resources away from productive business operations.

Ohio’s business climate depends on careful, deliberate policymaking to ensure a fair, competitive, and growth-oriented regulatory framework. HB 203 has far-reaching implications

that require thoughtful discussion and analysis—more than the remaining days of this legislative session allow.

For these reasons, we respectfully urge you to reject HB 203. Rushing this legislation through at the close of the session would be a disservice to Ohio's businesses and broader economic interests.

Thank you for your attention to this important matter.

Sincerely,

The Ohio Manufacturers' Association  
The Ohio Council of Retail Merchants  
Data Center Coalition  
Ohio Telecom Association  
Ohio's Broadband and Cable Association

CC: Members of the Senate Workforce and Higher Education Committee



BEFORE THE HOUSE FINANCE COMMITTEE  
REPRESENTATIVE JAY EDWARDS, CHAIRMAN

TESTIMONY OF  
ETHAN KARP, MAGNET  
OMA PARTNER

June 18, 2024

## **HB 435 - Proponent Testimony**

Chairman Edwards, Ranking Minority Member Bride Sweeney and members of the House Finance Committee, thank you for the opportunity to testify in support of House Bill 435, sponsored by Representatives Santucci and Demetriou, which would create the Manufacturing Technology Assistance Grant Program (MTAP).

My name is Ethan Karp and I am representing MAGNET as a proud partner of the Ohio Manufacturers Association. MAGNET is both a Manufacturing Extension Partnership (MEP) and an Industry Sector Partnership (ISP). We support an important piece of Ohio's manufacturing ecosystem.

MEPs help Ohio's small and medium-sized manufacturers to increase sales, create jobs and generate cost savings through technological innovation, workforce training and improved management practices.

ISPs help fund collaboration between businesses, education and training providers, and other community leaders who are invested in improving their region's workforce. These collaborations create a more skilled workforce and benefit both Ohioans and Ohio's job creators.

As you know, small and medium-sized manufacturing companies are critical to Ohio, representing 90% of job growth for high-paying jobs. For every new manufacturing job that is created or retained, three to five supporting jobs are also created. This is why investing in this space is so important to Ohio's future.

House Bill 435 creates the **Manufacturing Technology Assistance Grant Program (MTAP)** that will provide an opportunity for manufacturers with under 500 employees to apply for \$150,000 in grant funding for equipment upgrades and smart technology integration.

Through collaboration with Manufacturing Extension Partnerships (MEPs) like ours in Northeast Ohio, MTAP will offer manufacturers access to expert guidance, further bolstering their ability to navigate the complexities of technology integration. In the past five years, MAGNET has served 442 manufacturers in Northeast Ohio, helping those companies achieve the following results:

- \$785.7 million in increased/retained sales
- \$100.2 million in cost savings
- \$329.7 million of investment in their operations
- Create or retain 4,596 manufacturing jobs

Much of MAGNET's work is focused on helping manufacturers implement Industry 4.0 and advanced technologies. A few examples include:

- **M-7 Technologies** (Youngstown, OH) provides precision measurement solutions to a wide range of industries through metrology inspection, laser scanning, and reverse engineering services. M-7 has reported \$30M in increased or retained sales, 40 new and retained jobs, and \$5M in new investments thanks to MAGNET. M-7 CEO Michael Garvey says: "MAGNET is our go-to resource for growth and technology implementation. They supported integration of our best-in-class software and hardware, which resulted in production increases of more than 75%."
- **Haltec Corporation** (Leetonia, OH), a leading manufacturer of specialty tire valve systems and pressure inflation solutions, needed to automate the assembly of valves to keep up with demand. MAGNET designed, built, and installed two tire inflation valve automated machines with Industry 4.0 technologies, including cobots and digital data. These custom machines have allowed Haltec to keep up with business growth and increase revenue. Haltec now produces 80 percent of its high-volume products through automatic valve assembly; more than 250,000 pieces were processed during the first year of the machines' operation. Haltec vice president of IT Jeff Kovacich says: "Automation is vital for the company, particularly the use of a valve assembly machine for parts previously produced entirely by hand. Though handcrafting is still central to operations, technology is key to production improvements."
- **Alloy Precision Technologies** (Mentor, OH) specializes in custom and standard manufacturing. MAGNET has completed multiple Industry 4.0 products with Alloy, with a reported impact of \$10 million increased and retained sales, 28 new and retained jobs, and \$4.5 million in new investment. Alloy President & CEO Michael Canty says: "MAGNET is our innovation and technology partner driving growth and bottom line results. Over the past five years, we have implemented advanced technologies including cobot machine tending, real-time machine monitoring and part inspection, proprietary process equipment, and cybersecurity."

Drawing inspiration from successful initiatives in neighboring states like Iowa and Indiana, MTAP has the potential to catalyze transformative growth and innovation across Ohio's manufacturing landscape.

We urge your support for this proposal, recognizing its significance in driving economic competitiveness, fostering innovation, and ensuring the continued success of Ohio's largest industry - manufacturing.

Thank you for your consideration of this program. I am happy to answer any questions you may have about this proposal or our organization.



BEFORE THE HOUSE FINANCE COMMITTEE  
REPRESENTATIVE JAY EDWARDS, CHAIRMAN

TESTIMONY OF  
DALE FOERSTER, STARR MANUFACTURING, INC.  
OMA MEMBER

June 18, 2024

## HB 435 -Proponent Testimony

Chairman Edwards, Ranking Minority Member Bride-Sweeney and members of the House Finance Committee, thank you for the opportunity to testify in support of House Bill 435, sponsored by Representatives Santucci and Demetriou, which would create the Manufacturing Technology Assistance Grant Program (MTAP).

My name is Dale Foerster and I represent Starr Manufacturing, Inc. as a member of the Ohio Manufacturers Association.

Starr Manufacturing, located in Vienna, Ohio (15 minutes north of Youngstown and 10 miles east of Pennsylvania), is a family-owned company founded in 1965, currently employing 50 highly skilled employees. We produce custom industrial equipment and machinery for diverse industries, with core competence in oil and gas (mainly as OEM), energy, material handling, waste management including environmental waste management.

House Bill 435 creates the **Manufacturing Technology Assistance Grant Program (MTAP)** that will provide an opportunity for manufacturers with under 500 employees to apply for \$150,000 in grant funding for equipment upgrades and smart technology integration.

MTAP represents a crucial opportunity to empower Ohio's small to mid-size manufacturers to thrive in an increasingly competitive global market. By providing grants for the adoption and integration of smart technologies, this program will not only drive operational improvements but also ensure the long-term sustainability of our manufacturing sector.

For our company, MTAP would help us realize operational efficiencies by allowing the state to partner with us on technological improvements. As our highly skilled team members retire, we're faced with a huge gap in knowledge which we can only overcome by a shift towards new technology and automation to bridge gaps between those retiring employees and emerging employees who will utilize automation to perform some of those dying hands-on skills. It's imperative that we adapt and tap into that new kind of skill and seemingly inborn ability in order to enable us and our emerging employees to thrive in the reality of the modern world. Embracing, teaching and implementing modern manufacturing technologies and at the same time teaching proven "old" process knowledge using the area technical education centers is vital to our long-term success and ever-tightening and more difficult competition. For small companies like ours, a boost made possible through this proposed grant would be of immeasurable value across the board!

With an initial funding allocation of \$12,000,000, this program will not only enable manufacturers to thrive in today's dynamic business environment but also maintain Ohio's position as a frontrunner in manufacturing technologies.

We urge your support for this proposal, recognizing its significance in driving economic competitiveness, fostering innovation, and ensuring the continued success of Ohio's largest industry - manufacturing.

Thank you for your consideration of this program. I am happy to answer any questions you may have about this proposal or our company.



**BEFORE THE INSURANCE COMMITTEE  
THE OHIO SENATE  
SENATOR BOB HACKETT, CHAIR**

**SENATE BILL 116  
TESTIMONY OF BILL CREEDON  
THE OHIO MANUFACTURERS' ASSOCIATION**

**MAY 16, 2023**

Chair Hackett, Vice Chair Lang, Ranking Member Craig, and members of the Senate Insurance Committee, thank you for the opportunity to provide testimony on Senate Bill 116, which proposes important reforms to Ohio's unemployment compensation system.

My name is Bill Creedon from the law firm Bricker Graydon, representing The Ohio Manufacturers' Association (OMA). Created in 1910 to advocate for Ohio's manufacturers, the OMA today has approximately 1,300 members statewide. Its mission is to protect and grow Ohio manufacturing.

As you may know, manufacturing is the largest of the state's 20 major industry sectors. As of Q3 2022, manufacturing contributed more than \$130 billion annually to Ohio's economy, accounting for nearly one-fifth of Ohio's private industry GDP.

Our association strongly supports Senate Bill 116 (SB 116).

Ohio's unemployment compensation system is long overdue for reforms to address the system's long-term stability and solvency. The system has continually been under threat of insolvency, placing the fund in jeopardy every time the state faces an economic downturn.

Historically, the state's decades long UI insolvency has produced significant cost burdens on Ohio's employers at times when they can least afford it. Many of our manufacturers remember the difficulties following the 2008 recession when an excess in unemployment claims completely exhausted the fund, forcing the state to borrow nearly 3.4 billion from the federal government.

Ohio employers were the sole contributors responsible for repaying that debt with a cost of over \$250 million in interest payments. Our members and the business community at large had to bear that cost through increased payroll taxes and special tax assessments for several years until the loan was paid off.

S.B. 116 offers three simple changes to protect the system, employers, and taxpayers from exorbitant costs resulting from insolvency.

First, the legislation proposes a sliding scale for eligibility tied to the state's unemployment rate from 12 to 20 weeks. During the pandemic, the average Ohioan received benefits for 14.5 weeks, well below the proposed cap. Additionally a sliding scale provides the benefit of flexibility to cap excessive costs to the system in times of low unemployment, while allowing benefits to be expanded in necessary times of economic downturn.

Second, S.B. 116 eliminates Ohio's dependency clause. Most states do not have this particular benefit. Ohio is one of only 13 states. Moreover, as currently constituted, only higher earners are eligible to utilize this particular benefit. Eliminating the dependency benefit also eases the administrative burden on the system, cutting additional costs.

Finally, S.B. 116 proposes an increase to the taxable wage base from \$9000 to \$9,500. Employers who have the most to lose in times of insolvency understand the need to pay more at the front end to prevent a future insolvency crisis. This modest increase in cost brings Ohio closer to solvency and places our state in line with our neighboring states' taxable wage rates.

The OMA supports S.B. 116 and its sensible reforms. At a time of low unemployment and high job creation, Ohio is presented with the proper conditions to make significant improvements to our unemployment compensation system, allowing our state to avoid tax penalties on businesses in times of economic hardship and put an end to the endless cycle of unnecessary borrowing from the federal government.

Thank you. I am happy to answer any questions at this time.



December 3, 2024

Ohio Senate  
Senate Building  
Columbus, OH 43215

RE: House Bill 296

Dear members of the Ohio Senate:

The undersigned organizations are writing to ask that the Ohio Senate pause deliberation on Substitute House Bill 296 (Increase Employer Contributions to Ohio Police and Fire Pension Fund) if the House passes Sub. HB 296 or inserts it into a Senate Bill during any remaining sessions in calendar year 2024.

Sub. HB 296 requires taxpayers in every jurisdiction with a police force to add additional funds to the police and fire pension fund. These taxpayer dollars are referred to as employer contributions, and Sub. HB 296 scales the current contribution from 19.5% to 24% by 2030. While the bill is phased in over six years, it still represents a 20% increase in taxpayer liability and will result in additional tax burdens to Ohioans, either through new property tax levies, increased income taxes or other funding mechanisms ultimately borne by the citizens in each jurisdiction.

If taxpayers choose not to raise taxes then public safety services will weaken and may halt plans by jurisdictions to bolster public safety resources. Our organizations represent business organizations that benefit from the presence of public safety officers. It gives consumers a sense of security and safety as they shop, attend civic events or go out to their favorite restaurants. And it gives employees the same sense of security and safety as they commute from work to home. These same public safety officers respond to calls, protect public and private property and keep motorists safe as they drive on the roads.

Sub. HB 296 delays efforts to deploy more resources, minus a tax increase, solely to bolster a pension fund that may or may not need these contributions. The Ohio General Assembly and its Ohio Retirement Study Council should reexamine the need for additional contributions considering recent collectively bargained contracts that have provided additional wages to public safety officers, and in turn, added more funds to the pension balance sheet. Additionally, more time should be given to study the fiscal ramifications to local jurisdictions who must shoulder the burden of this state level mandate.

Our organizations are available to discuss this matter further either in person or via virtual meetings. Our priority is the safety of our associates, our customers and our clients. This priority can only be met if our local jurisdictions keep the flexibility to assign public safety resources (training, over-time, additional officers) per the needs of each jurisdiction.

Thank you for considering this request as you close out the 135<sup>th</sup> General Assembly.

Sincerely,

Ohio Chamber of Commerce

Ohio Business Roundtable

Ohio Manufacturers' Association

# State budget director: Ohio is in good economic shape headed into budget season

The Statehouse News Bureau | By [Jo Ingles](#)

Published January 14, 2025 at 7:26 PM EST



Ohio Budget Director Kimberly Murnieks speaks about the state's economy at the Ohio Chamber of Commerce

Ohio is in good shape going into the upcoming two-year budget, which will come out by the first week of February. That's according to Kimberly Murnieks, director of the Office of Budget and Management, who told leaders at the Ohio Chamber of Commerce that the state's bottom line is stronger than in recent years. And she said the state's rainy day fund is healthy too.

"It is the highest level that it has been and it would support any uncertainty that might arise," Murnieks said. "Right now [it] has more than \$3.8 billion that is available should any uncertainties arise and we also plan in a more short-term way. The state has a strong emergency purposes fund."

Murnieks said that emergency fund can be used for unplanned things like natural disasters like flooding that cannot be anticipated.

But Murnieks said the upcoming budget will not have as much in one-time federal funds, like COVID money.

“Those provided one-time resources that Ohio very planfully used for one-time investments. And so we are back to a normal budget situation where we have to balance our revenues, our tax revenues, mostly sales and income taxes, with the ongoing programs of state government,” Murnieks said.

Republican lawmakers have pushed for tax cuts for decades and are likely to do so again. Bills to eliminate or phase out the state income tax have been proposed in the last two legislative sessions.

# Child tax credits, tax increases, full school funding: DeWine unveils \$61B budget proposal

Budget to be debated



Ohio Governor Mike DeWine talks to the media Thursday, Jan. 30, 2025 at Wright State University. The Governor was at the university to speak at the The Workforce Equation: Why child Care Matters for Ohio Businesses. MARSHALL GORBYSTAFF

## LOCAL NEWS

By [Avery Kreemer](#)

Feb 3, 2025

Ohio Gov. Mike DeWine kicked off the state's biennial budget process Monday with a proposed 2026-2027 operating budget package that would cost the state \$61 billion, about \$25 billion less than the current two-year operating budget.

DeWine's proposal would, among other things:

- Give Ohio families a \$1,000 tax credit per child, funded by a \$1.50 cigarette tax increase;
- Increase sports gambling taxes from 20% to 40% and direct the new revenue into a fund for major and minor league teams to improve or fully replace their stadiums and for the state to offset sports costs for Ohio youth;
- Increase recreational cannabis sales tax from 10% to 20%;
- Further tie state funding of public universities to graduates' career placements;
- Continue Ohio's universal school choice voucher system and implement the state's third and final round of its state school funding formula.

The state's discretionary budget has long been expected to be meeker than the 2024-2025 operating budget, which was buoyed by billions in federal COVID-19 and pandemic recovery spending. Those offsets allowed lawmakers to create a \$700 million special projects fund, slash the state's income and business taxes, create a bigger-than-ever tax holiday, and expand the private school voucher system to nearly a billion dollars a year.

Inside Ohio Politics: 10 local lawmakers dealt powerful positions in Ohio legislature  
 "We should look at this coming budget — this budget — as a budget that goes back to normal," DeWine told reporters at a Monday press conference. "We had a lot of federal dollars coming in, those federal dollars are not coming in anymore."

With federal funding added in, DeWine's proposal comes out to \$218 billion over the next two years.

Ohio's budgetary process is the first big project of every new Ohio General Assembly. The operating budget, sometimes known as the executive budget, is a gargantuan piece of legislation that includes tens of billions in funding for programs and a raft of legislative policies folded in. The process always starts with an initial proposal from the governor's administration before that proposal is vetted and amended by the Ohio House and Senate, in that order.

## Children and K-12 education

DeWine said his proposed budget comes with “increased funding in the K-12 funding formula and school choice programs.”

His proposal asks for the final phase of the state’s so-called fair school funding plan, which has been fervently defended by public school advocates since it was first implemented to get the state’s public school funding less reliant on property taxes. The formula was designed to be implemented over three budgets.

However, slight tweaks were made in the governor’s proposal to reduce “funding guarantees” in the formula, thereby sending less money per student to districts that are losing enrollment.

“This plan includes a phase-in of the final two years of the General Assembly funding plan, and also allows us to phase out the funding of empty desks in schools,” DeWine said.

DeWine’s proposal also continues the state’s universal school choice voucher program, which was implemented in the previous budget and has seen a considerable usage uptick without a matching uptick in private school enrollment.

Ohio spent nearly \$1B on private school vouchers. Who did they benefit?

In terms of new policy, the governor touted a plan to increase health centers on school campuses. He also hopes to couple the state’s existing free eye exam for students program with a state guarantee that students from kindergarten through third grade receive the care they need. DeWine estimated this could affect 33,000 students in Ohio and improve learning outcomes.

“School-aged children in the state of Ohio are required to receive vision screenings, but shockingly, only 26% of the students who need additional vision care, whether that be a comprehensive eye exam or glasses, actually receive it, leaving tens of thousands of our Ohio children behind,” DeWine said. “That is wrong. This budget will start to correct that.”

DeWine, citing the fact that drivers ed has become cost-prohibitive for many Ohio families, included in his proposal a mandate for public schools to begin teaching drivers ed. He said doing so would enhance roadway safety, as many Ohioans wait until they’re a legal adult — and not required to take drivers ed — to get their license.

“Let me say it very clearly: It’s now time to put drivers training back in our high schools. This needs to be done. Schools are the logical and most accessible places for teens to learn how to drive,” DeWine said. “Our budget helps schools partner with independent

driving training academies, or allows them to start their own driver training program to make this training affordable for families and bring it directly to the students.”

The budget also creates a \$34 million grant program for school districts to implement recommendations of the state’s School Bus Safety Working Group, a commission the governor created following a fatal 2023 Clark County school bus crash.

Additionally, DeWine called for the creation of an income-based child tax credit, which would provide \$1,000 in tax refunds per year per child up to age 6, which the governor said could help Ohio families pay for their increasingly expensive rents, mortgages or childcare.

DeWine’s plan suggests paying for the credits by raising Ohio’s cigarette tax from its current \$1.60 per pack to \$3.10.

## Higher education

DeWine’s budget also works to create a pipeline to incentivize Ohio students to attend Ohio universities by guaranteeing main campus admission to every state college in Ohio for students who finish in the top 5% of their high school graduating class.

On a similar note, his budget would set up a “direct admission initiative,” which DeWine said would “let high school students know, based on simple criteria such as grade point average, SAT, and ACT scores, the list of Ohio colleges and universities where they will be admitted.”

DeWine said such a program would eliminate the need to apply to various colleges and wait for acceptance. “All they will need to do is simply register and enroll in the college that they choose,” he said.

DeWine’s budget also adds post-grad employment rates to the state’s public university funding formula. The state spends about \$2 billion on universities per year; about \$100 million of that would be subject to the gainful employment rate of universities’ graduates under DeWine’s proposal.

“(My budget would make) Ohio the first state, we believe, in the nation to tie a significant portion of funding for colleges and universities to whether their graduates are, in fact, getting jobs,” DeWine said.

## Other policies

DeWine also baked in a proposed “permanent solution” to Ohio’s recurring headache caused by professional sports teams asking the state to subsidize the renovation or complete replacement of professional facilities, as the Cleveland Browns are currently negotiating.

DeWine's proposed fix is to create the "sports facilities construction and sports education fund" in the state's coffers. DeWine's plan is to raise taxes on sports betting companies from 20% to 40% and direct the newly generated revenue to this fund, which would be administered by an appointed commission.

The revenue could be used for major and minor league facility upgrades, as well as to offset some costs for youth sports for some Ohio children.

DeWine estimates the extra tax would produce \$130 million to \$180 million per year.

"These sports gaming (companies) are extremely aggressive. Maybe it's just because I watch sports, but they're in your face all the time, they are getting Ohioans to lose massive amounts of money every year, and it seems to be only just and fair that some of the stadiums are paid for by them," said DeWine.

Additionally, DeWine said his proposal would raise taxes on recreational cannabis sales from 10% to 20%. [According to state documents](#), the resulting revenue would be routed toward peace officer training, drug enforcement and safe driver initiatives under the proposal.

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## Wednesday, January 29, 2025

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# Latest Tax Cut Plan Gets First Hearing In Senate

It didn't take long for Republicans to renew the debate over income tax cuts in the 136th General Assembly.

During one of the first committee hearings of the new session, the [Senate Ways & Means](#) Committee fielded sponsor testimony on a measure ([SB 3](#)) to lower the state's personal income tax to an overall 2.75% flat rate.

Chief sponsors [Sen. Steve Huffman](#) (R-Tipp City) and [Sen. George Lang](#) (R-West Chester Twp.) said the bill would improve the state's economy and competitiveness in attracting business development.

Democrats on the committee questioned the proposal, with [Sen. Beth Liston](#) (D-Dublin) noting it would only impact Ohio taxpayers in the higher bracket.

[President Rob McColley](#) (R-Napoleon) said after session Wednesday the Senate "definitely" wants to pass the flat tax plan if it is something the state can afford.

"This is just a natural progression of the tax changes we've made over really the past decade-plus, where we continue to eliminate brackets with the hope of eventually get down to a flat tax," he said. "If we can do it, there's a strong desire to do it within our caucus."

Lang's sponsor testimony tied Ohio's declining population over the years and resulting erosion of the congressional delegation to the creation of the state income tax in 1971, which he said served to "drive businesses away."

"In that year, Ohio had 26 electoral votes. Today? We sit at just 17 and have lost congressional representation in every census since," he said.

"According to a recent report from the New York Post, the 15 states who have been the most tax-friendly since 2000 have experienced a 2.2% growth in population, while the 15 highest-taxed states have experienced a 1% loss."

The sponsor further argued that tax reductions correlate to increased revenues for governments.

"This is evidenced by the fact that since the federal income tax was introduced in 1913, every time the federal government has raised tax rates, it has seen a decrease in revenue," Lang said. "And every time it has lowered taxes, it has seen a rise in revenue."

Huffman said the bill "will make Ohio an important economic model for the Midwest and provide many new opportunities for Ohio families and businesses to succeed and thrive."

"In addition to providing much-needed relief to taxpayers, a flat tax system will expand our economy by encouraging out-of-state families and businesses to move to our great state," he added. "Ohio is surrounded by states that have previously implemented a flat tax – Kentucky (4.00%), Indiana (3.05%), Illinois (4.95%), and Michigan (4.25%). But our proposal of 2.75% would be the lowest in the region."

[Sen. Bill DeMora](#) (D-Columbus) alluded to those rates and noted Ohio's is already lower. He also questioned the correlation between lowering taxes and population given the state has done the former for several years while other states continue to grow faster.

Huffman responded that since policymakers cannot change the weather to that of other higher-growth states, cutting taxes is the next best option.

While a Legislative Service Commission Fiscal Note for the measure is not yet available, Chair [Sen. Louis Blessing](#) (R-Colerain Twp.) said he ran the numbers for a similar proposal last session and the revenue impact to the state was a loss of about \$1.6 billion a year.

He remarked that the state is "going to have to look outside the box for revenues" to continue the Fair School Funding Plan. He also questioned comparisons to other states such as Texas and Alaska that have high severance taxes.

Lang said LSC analysts only do "static" versus "dynamic" modeling for tax cuts, meaning they don't account for resulting boosts in economic activity.

Liston asked several questions regarding the impact of the reduction, which she said would only benefit higher income earners based on the current structure of the PIT. She calculated that a taxpayer making \$180,000 a year would only see an additional \$600 in reductions.

"The trade-off is we can't fund the Fair School Funding Plan" and local governments that get 1.7% of the state PIT could be forced to cover those losses with higher levies, Liston said. "It's just a shift. We're giving this tiny amount of money to the highest bracket" while 80% of taxpayers would "float the bill."

The sponsors reiterated their argument that the cuts would lift the state's overall economy. Lang added that additional tax relief for high earners might make them more likely to support a school levy.

[Sen. Tim Schaffer](#) (R-Lancaster) said an additional \$600 in the pocket of a taxpayer equates to 30 pizzas for a restaurant owner.

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