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UPDATED VERSION*

SUMMARY

Campus accountability and modernization

Policy on harassment and intimidation

- Requires state institutions of higher education and private for-profit colleges to adopt and enforce a policy on racial, religious, and ethnic harassment and intimidation.
- Requires private nonprofit institutions of higher education to adopt and enforce a policy on racial and ethnic harassment and intimidation.
- Requires that each institution's policy include related training, complaint procedures, creation of an anti-hate task force, and collaboration to increase security.

Committee on combating harassment and intimidation

- Requires the Chancellor of Higher Education to establish a committee on combating antisemitism and other forms of racial, religious, and ethnic harassment and intimidation.

Harassment and intimidation reports

- Requires each institution of higher education to submit an annual report to the Chancellor of all harassment and intimidation reports submitted to the federal government consistent with the federal Clery Act.

Time, place, and manner restrictions

- Requires each state institution to publicize any time, place, or manner restrictions it places on its students' expressive activities.

* This version updates the effective date.

Campus programs

- Requires the Chancellor to establish and administer the Campus Student Safety Grant Program to award grants to institutions of higher education to enhance security measures and increase student safety.
  - Appropriates $1 million in FY 2025 to support the program.
- Requires the Chancellor to establish and administer the Campus Community Grant Program to award grants to institutionally sanctioned student organizations to support intergroup and interfaith outreach and cultural competency between institutionally sanctioned student organizations.
  - Appropriates $1 million in FY 2025 to support the program.
- Establishes the Campus Security Support Program under which the Chancellor must distribute funds to institutionally sanctioned student organizations affiliated with communities at risk for increased threats of violent crime, terror attacks, hate crimes, or harassment to enhance security measures and increase student safety.
  - Appropriates $2 million in FY 2025 to the program.

Act title

- Entitles this portion of the act the Campus Accountability and Modernization to Protect University Students "CAMPUS" Act.

Financial cost and aid disclosure form

- Requires state universities and community colleges to provide a financial cost and aid disclosure form to newly admitted students.

Educator preparation programs

- Requires the Chancellor, in conjunction with the Department of Education and Workforce, to conduct a survey of educator preparation programs and to issue recommendations via a report.
  - Appropriates $150,000 to pay for the survey.
- Increase the Department of Higher Education's appropriation to cover the cost of its duties regarding educator preparation programs by $2 million in FY 2025.

Electronic filing of pleadings in common pleas court

- Requires the clerk of a common pleas court to determine whether the filing of pleadings or documents in electronic format may be accomplished by email or through an online platform.
- Prohibits the clerk from doing the following:
  - Requiring that any fee for electronic filing be paid before the filing, unless the clerk has provided for an electronic payment system; or

- Requiring a fee for electronic filing that exceeds the applicable fee for filing pleadings or documents on paper.

- Stipulates that these provisions do not apply to probate or juvenile courts.

Filing of pleadings in municipal or county court

- Provides that, beginning not later than July 21, 2025, pleadings or documents may be filed with the clerk of a municipal court or the clerk of a county court either in paper or electronic format.

- Stipulates that documents created by the clerk in the exercise of the clerk's duties may be created in an electronic format.

- Requires the clerk of a municipal court or county court to determine whether the filing of pleadings or documents in electronic format may be accomplished by email or through an online platform.

- Prohibits the clerk from doing the following:

  - Requiring that any fee for electronic filing be paid before the filing, unless the clerk has provided for an electronic payment system.

  - Requiring a fee for electronic filing that exceeds the applicable fee for filing pleadings or documents on paper.

Clerks of court authorization

- Removes the requirement that funds for the computerization of municipal and common pleas court clerks' offices be authorized and disbursed by the court, and instead permits the clerk to do so if the clerk has been elected.

- Removes the requirement that funds for the computerization of county court clerks' offices be authorized and disbursed by the court, and instead permits the clerk to do so.

- Specifies that, in a county in which the clerk of the court of common pleas is appointed, the county executive must authorize and disburse those funds.

Municipal and county court additional fee increase

- Permits municipal and county courts to increase the maximum amount of their additional fees from $10 to $20 to cover the computerization of the clerk's office.

Liquor control laws

A-3a liquor permit: manufacturing limit

- Revises the limit on the number of gallons of spirituous liquor that a micro-distillery (A-3a liquor permit holder) may manufacture each year as follows:

  - Increases the amount from less than 100,000 gallons to any amount, if the micro-distillery was issued an A-3a permit before October 24, 2024 (the act's effective date), regardless of whether the permit premises location or the premises ownership is transferred and the permit holder is issued a new A-3a permit after that date.

- Retains the 100,000-gallon limit for a distiller that begins manufacturing spirituous liquor under an A-3a permit on and after October 24, 2024.

Tasting samples of spirituous liquor

- Requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free, rather than requiring at least a 50¢ charge for each tasting sample as under former law.

Grains of paradise as adulterated alcohol

- Removes grains of paradise from the substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.

Recorded documents and electronic modernization

- Requires counties to provide an electronic means of recording instruments and of accessing recorded instruments by June 30, 2026.
- Allows county recorders to charge a document preservation surcharge.
- Increases the recording fee for living wills, health care powers of attorney, and instruments related to personal property.
- Appropriates $6 million for the Office of the Treasurer to distribute funds to reimburse counties to implement the act's provisions.

Powers of attorney

- Modifies requirements regarding powers of attorney utilized for the execution of real property instruments.

Mortgage subrogation

- Allows a mortgage that was used to satisfy a previous mortgage to be subrogated to the priority of (have the same priority as) the previous mortgage if certain conditions are met.
- Prohibits a mortgage lender seeking subrogation from being denied subrogation for specifically enumerated reasons.
- Provides that the holder of a subordinate mortgage or lien retains the same subordinate position had the previous mortgage or lien not been satisfied.

Rental property owner's agent

- Allows a rental property owner's agent to file the owner's contact information with the county auditor.

Community reinvestment areas

- Clarifies a law that allows political subdivisions that enter into a community reinvestment area (CRA) property tax exemption agreement to claw back exempted taxes if the property does not comply with the agreement.

Stock state banks

- Expands the reasons a stock state bank can amend its articles of incorporation to include reasons permitted under Ohio Corporation Law.

Law enforcement tows

- Expands the law enforcement entities that may order the towing of a motor vehicle to include university campus police departments, park district police forces, and natural resources officers and wildlife officers of the Department of Natural Resources (ODNR).
- Grants a university campus police department, a park district police force, and ODNR the authority to dispose of an unclaimed towed motor vehicle or an abandoned junk motor vehicle.
- Emphasizes that the owner or lienholder of a motor vehicle towed by law enforcement is responsible for any expenses and charges incurred in towing and storing the vehicle.

Documentary service charges

- Increases the maximum documentary service charge that may be imposed as part of the sale or lease of a motor vehicle.
- Requires the Registrar of Motor Vehicles annually to determine an updated maximum charge based on the cumulative percentage change to the Consumer Price Index (CPI) since July 2006.
- Requires the Registrar to publish the updated maximum charge on a website maintained by the Department of Public Safety.
- Retains law that limits the charge to 10% of the sale or lease price.

Lender-provided certificate of title

- Repeals a requirement that a lender provide the purchaser of a motor vehicle with a physical certificate of title following full payment of the loan, at no extra cost to the purchaser.
- Waives unpaid fines for violations of that requirement.
- Requires a lender, instead, to send a written notice, including through electronic communication, to the vehicle owner referring them to the Bureau of Motor Vehicles (BMV) website for information on titling options, either when the owner takes out the loan or discharges it.
- Requires BMV to include titling options, including fees, on its website for owners to reference after their motor vehicle loan is discharged.

Public depositories

- Eliminates the prohibition against a financial institution that is subject to a cease-and-desist order from serving as a public depository.

- Requires a public depository to notify the governing board if the depository becomes party to an active prompt corrective action directive.
- Specifies that institutions are ineligible to serve as public depositories while under a prompt corrective action directive unless authorized by a governing board.
- Relieves certain public officials from liability for loss of public moneys deposited in a failed public depository.

TABLE OF CONTENTS

DETAILED ANALYSIS

Campus accountability and modernization

Policy on harassment and intimidation

The act requires each state institution of higher education and degree-granting, private for-profit college to adopt and enforce a policy on racial, religious, and ethnic harassment and intimidation at the institution or college. Under the act, a "state institution of higher education" is any state university, university branch, or community, state community, or technical college. The act also requires each private nonprofit institution of higher education to adopt a policy on racial and ethnic harassment and intimidation at the institution.

The act defines "harassment" as unwelcome conduct that is so severe, pervasive, and objectively offensive that it effectively denies an individual equal access to the individual's education program or activity. It defines "intimidation" as a violation of ethnic intimidation as described under Ohio criminal law.

Under the act, an institution's or college's policy must include training for all administration, faculty, and staff. The training must provide information on how to respond to hate incidents or harassment that occur during a class or event held at the institution or college at the time the incident occurs. The training may be provided online.

Each state institution and for-profit college's policy also must include a procedure under which the institution accepts and investigates student complaints and allegations of racial, religious, or ethnic harassment or intimidation against any student, staff, or faculty member. Each private nonprofit institution of higher education's policy must include the same, except that complaints of religious harassment or intimidation are excluded.

Each institution's or college's procedure must include an option for anonymous reporting of complaints and threats and potential disciplinary actions that may be taken after an investigation is conducted. The procedure must also include any mandatory communications, regardless of whether disciplinary action is taken. These communications may include educational information on the institution's policy against harassment and intimidation.

The act requires each institution or college to ensure that, to the extent possible and as needed, its campus security and police department, if it has one, collaborates with local law enforcement, the State Highway Patrol, and student communities to provide security functions for institutionally sanctioned student organizations that face threats of terror attack or hate crimes. For private nonprofit institutions, the act specifies that those functions must be consistent with institutional policies.

Under the act, each state institution and for-profit college must create a campus task force on combating antisemitism, Islamophobia, anti-Christian discrimination, and hatred, harassment, bullying, or violence toward others on the basis of their actual religious identity or what is assumed to be their religious identity at the institution or college. Private nonprofit institutions of higher education are required to do the same, except that whether those actions are taken on the basis of one's actual religious identity or what is assumed to be their religious identity at the institution is excluded.

The act states that none of the requirements related to a state institution or for-profit college's policy on harassment and intimidation at an institution may be construed to diminish or infringe upon any right protected by the First Amendment to the U.S. Constitution, Article I of the Ohio Constitution, or noncommercial expressive activity under Ohio law.[1] For private nonprofit institutions, the act states that in the event of a conflict between the policy requirements and the U.S. Constitution, any other provision of federal law applicable to nonprofit

[1] R.C. 3320.05, 3320.06, and 3320.07. See also R.C. 2927.12, 3345.011, and 3345.0211, none in the act.

institutions of higher education, or Article I, Sections 3 and 11 of the Ohio Constitution, the other provision of law controls.[2]

Committee on combating harassment and intimidation

The act requires the Chancellor of Higher Education to establish a committee on combating antisemitism and other forms of racial, religious, and ethnic harassment and intimidation. The committee must consist of representatives from each of the following:

1. Legal counsel from state institutions or private for-profit colleges;
2. Offices of student life from state institutions or for-profit colleges;
3. Institutionally sanctioned student organizations from state institutions and for-profit colleges;
4. The Inter-University Council of Ohio;
5. The Ohio Association of Community Colleges;
6. Organizations representing faith-based communities;
7. Organizations representing racial and ethnic communities; and
8. Any other stakeholders determined appropriate by the Chancellor.

The committee must develop a model policy, guidance, best practices, and recommendations for further action for policies adopted by state institutions and for-profit colleges. It must include all of the following in its model policy, guidance, best practices, and recommendations:

1. A review of current investigation procedures and recommendations to increase transparency of the process and outcome that is allowable under existing state and federal law;
2. Model training requirements for all institution or college administration, faculty, and staff providing information on how to respond to hate crimes or incidents of harassment or intimidation during a class or event at the time the incident occurs;
3. Best practices for collaboration with local, state, and federal law enforcement to enhance security functions for students that face threats of terror attacks and hate crimes;
4. A framework to promote an institution's conduct policies;
5. Recommended definitions to incorporate in policies adopted under the act; and
6. Model procedures for investigating student complaints submitted through procedures developed under the act including communication to students on complaints submitted to institutions.

The Chancellor must issue a report containing the committee's model policy, guidance, best practices, and recommendations by July 1, 2025. The Chancellor must submit the report to

[2] R.C. 3320.06(D).

the Governor, President and Minority Leader of the Senate, and Speaker and Minority Leader of the House.[3]

Harassment and intimidation reports

Under the act, each state institution of higher education, private for-profit college, and private nonprofit institution of higher education must submit an annual report to the Chancellor of all harassment and intimidation reports submitted to the federal government consistent with the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics or "Clery" Act.[4]

Information on time, place, and manner restrictions

The act requires each state institution of higher education to publicize any time, place, or manner restrictions it places on the expressive activities of its students.[5]

Campus Student Safety Grant Program

The act requires the Chancellor to establish and administer the Campus Student Safety Grant Program. Under the program, the Chancellor must award grants to state institutions, private nonprofit institutions, and private for-profit colleges to enhance security measures and increase student safety. The Chancellor must develop guidelines and procedures for the program, including an application process, criteria for awards, and a method to determine the distribution of awards. The Chancellor must give priority to institutions or colleges that demonstrate increased threats of violent crime, terror attacks, hate crimes, or harassment toward students and institutionally sanctioned student organizations. The act appropriates $1 million in FY 2025 to support the program.[6]

Campus Community Grant Program

The act requires the Chancellor to establish and administer the Campus Community Grant Program. Under the program, the Chancellor must provide funding to institutionally sanctioned student organizations at institutions of higher education to support intergroup and interfaith outreach and cultural competency between institutionally sanctioned student organizations. The Chancellor must develop guidelines and procedures for the program, including an application process, criteria for awards, and a method to determine the distribution of awards. The act appropriates $1 million in FY 2025 to support the program.[7]

Campus Security Support Program

The act appropriates $2 million in FY 2025 to the Campus Security Support Program. Under the program, the Chancellor must distribute the appropriated funds to institutionally

[3] Section 8.

[4] R.C. 3320.07; see also 20 United States Code (U.S.C.) 1092(f).

[5] R.C. 3320.08. See also 3345.0211, 3345.0212, and 3345.0213, none in the bill.

[6] R.C. 3333.80 and Section 4.

[7] R.C. 3333.801 and Section 4.

sanctioned student organizations affiliated with communities that are at risk for increased threats of violent crime, terror attacks, hate crimes, or harassment. The funds are to be used to enhance security measures and increase student safety at institutions of higher education throughout Ohio. The act permits the Chancellor to use a portion of the program's funding to administer the program.[8]

Financial cost and aid disclosure form

The act requires state universities and public colleges, including community, state community, and technical colleges, to provide newly admitted students with a financial cost and aid disclosure form. The requirement begins October 4, 2025.[9]

Form distribution

The act requires state universities to provide a financial cost and aid disclosure form to qualifying students as part of the student's initial financial aid packet. Public colleges must provide a financial cost and aid disclosure form to qualifying students with the student's financial aid award letter. A "qualifying student" is a newly admitted full-time student who is seeking a degree. State universities must provide the form to students before the institution's student admission decision deadline. State universities and public colleges may provide the form to students electronically.[10]

Form requirements

State universities

The financial cost and aid disclosure forms distributed by state universities must include all of the following information:

1. Costs associated with attendance, including:
   a. General and instructional fees;
   b. Room and board, or a reasonable estimate if the qualifying student has not selected a room and board plan;
   c. Special fees that the state university charges at the time the form is created;
2. The student's aggregate cost of attendance, including instructional, general, and special fees and room and board;
3. All available sources of financial aid offered by the state university for which the student is eligible, including:
   a. Grants and scholarships the state university is aware of and that it offers, including a description of any requirements for maintaining eligibility;

[8] Section 4.

[9] R.C. 3345.0210.

[10] R.C. 3345.0210(B) and (D).

b. Federal student loans, including federal direct subsidized and unsubsidized student loans;

c. Work study programs, including a description of any requirements for maintaining eligibility;

4. The student's expected net cost of attendance after aggregating financial aid and applying to the student's aggregate cost of attendance;

5. The student's expected monthly education loan payment upon graduation based on federal student loans;

6. The income range between the 25th and 75th percentiles for the following:

a. The state university's most recent cohort of graduates;

b. The state university's cohort of graduates who graduated five years before the student's admission;

c. If the student has declared a major or enrolled in a particular school at the state university, income ranges for graduates who had that major or were enrolled in that school.

The form is limited to one double-sided page in length when printed.[11]

Public colleges

The act requires financial cost and aid disclosure forms provided by public colleges to include the same information required for state universities above, except for the income ranges described in the sixth item of the above list. Instead, public colleges must provide qualifying students a link to a page on the college's website containing information on those income ranges with the student's acceptance letter.

Additionally, the act clarifies that these requirements may not be construed to prohibit public colleges from providing financial counseling, including advising students on expected monthly loan payments for the total loan amounts a student may borrow.

As with state universities, the forms provided by public colleges may not exceed one double-sided page in length when printed.[12]

Form template

The act requires the Chancellor to develop a financial cost and aid disclosure form template or approve an existing alternative that addresses the act's requirements. The Chancellor must develop or approve the template in consultation with the U.S. Department of Education and financial aid directors from state institutions of higher education to ensure alignment with the U.S. Department's College Financing Plan and other federal financing tools.

[11] R.C. 3345.0210(C).

[12] R.C. 3345.026(D).

State universities and public colleges must base their forms on the template developed by the Chancellor.[13]

Educator preparation programs

Survey and report

The act requires the Chancellor to conduct a survey of each undergraduate and graduate educator preparation program for teachers and administrators that is offered by an institution of higher education. The survey's purpose is to determine what instruction the programs are providing to students in mental and behavioral health, behavior management, and classroom management, including how they are incorporating education on adverse childhood experiences and trauma. The survey must focus on the current instruction provided by the preparation programs, including:

- Processes for establishing a positive school and classroom climate;
- Knowledge of the reasons for disruptive behaviors and how teacher and administrator actions impact the classroom and school climate;
- Evidence-based techniques for preventing, managing, and responding to mild, moderate, and more disruptive student behaviors;
- Processes for fostering and maintaining positive teacher and student relationships;
- Procedures for designing and using trauma-informed instructional approaches;
- Processes for using restorative practices in response to disruptive behaviors;
- Techniques provided to teachers and administrators to manage their own stress and foster their own well-being.

The Chancellor must create the survey in conjunction with the Department of Education and Workforce. The Chancellor and the Department must use the survey results to develop a summary of the instructional strategies, practices, and content of surveyed preparation programs, including institution-level summaries. And, by October 24, 2025, they must develop a report that analyzes the survey's findings to make recommendations for evidence-based and evidence-informed strategies, practices, and content to address identified needs and equip educators to support student academic success and well-being from early childhood education through grade 12. The recommendations must address classroom management, behavior management, mental health education, and the impact of adverse childhood experiences and trauma on students.

The report must be distributed to the Governor, the General Assembly, and school districts. The act appropriates $150,000 to the Department of Higher Education support this requirement.[14]

[13] R.C. 3345.0210(E).

[14] R.C. 3333.0419 and Section 4.

Appropriation

The bill increases the Department of Higher Education's appropriation to cover the cost of its duties regarding educator preparation programs by $2 million in FY 2025.

Filing of pleadings and documents

Court of common pleas

Filing in paper or electronic format

Continuing law provides that pleadings or documents may be filed with the clerk of the court of common pleas in paper or electronic format.[15]

Pleadings and documents filed in paper format may be converted to an electronic format. Documents created by the clerk of court in the exercise of the clerk's duties may be created in an electronic format.[16]

Official record

Under continuing law, when pleadings or documents are received or created in, or converted to, an electronic format, the pleadings or documents in that format must be considered the official version of the record.[17]

Filing pleadings or documents in electronic format

The act requires the clerk to determine whether the filing of pleadings or documents in electronic format may be accomplished by email or through an online platform.[18]

The fee for filing pleadings or documents in electronic format may be paid after the filing. The clerk must not do either of the following:[19]

- Require that any fee for the filing be paid before the filing, unless the clerk has provided for an electronic payment system for the filing.
- Require a fee for the filing that exceeds the applicable fee for filing pleadings or documents on paper.

The act's provisions above do not apply to the filing of pleadings or documents in a probate court or juvenile court.[20]

[15] R.C. 2303.081(A).

[16] R.C. 2303.081(C).

[17] R.C. 2303.081(D).

[18] R.C. 2303.081(B)(1).

[19] R.C. 2303.081(B)(2) and (3).

[20] R.C. 2303.081(B)(4).

The act applies the provision in the law described above in "**Official record**" to its provisions.[21]

Municipal court and county court

Filing in paper or electronic format

The act provides that, beginning not later than July 21, 2025, pleadings or documents may be filed with the clerk of a municipal court or the clerk of a county court either in paper or electronic format.[22]

Pleadings and documents filed in paper format may be converted to an electronic format. Documents created by the clerk of a municipal court or of a county court in the exercise of the clerk's duties may be created in an electronic format.[23]

Filing pleadings or documents in electronic format

The act requires the clerk of a municipal court or the clerk of a county court to determine whether the filing of pleadings or documents in electronic format may be accomplished by email or through an online platform.[24]

The fee for filing pleadings or documents in electronic format may be paid after the filing. The clerk must not do either of the following:[25]

- Require that any fee for the filing be paid before the filing, unless the clerk has provided for an electronic payment system for the filing.
- Require a fee for the filing that exceeds the applicable fee for filing pleadings or documents on paper.

Official record

Under the act, when pleadings or documents are received or created in, or converted to, an electronic format, the pleadings or documents in that format must be considered the official version of the record.[26]

Clerks of court authorization

Under existing law, changed in part by the act, municipal court clerks, county court clerks, and common pleas court clerks are not allowed to disburse funds for the computerization of the courts; the court clerks must be authorized by the court and funds must be disbursed by the court.

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[21] R.C. 2303.081(D).

[22] R.C. 1901.313(A) and 1907.202(A).

[23] R.C. 1901.313(C) and 1907.202(C).

[24] R.C. 1901.313(B)(1) and 1907.202(B)(1)

[25] R.C. 1901.313(B)(2) and (3) and 1907.202(B)(2) and (3).

[26] R.C. 1901.313 (D) and 1907.202(D).

The act removes the requirement that funds for the computerization of municipal court clerks' offices be authorized and disbursed by the court, and instead permits the clerk to do so if the clerk has been elected. It retains the requirement for appointed clerks.[27]

The act removes the requirement that funds for the computerization of county court clerks' offices be authorized and disbursed by the court and instead permits the clerk to do so.[28]

The act removes the requirement that funds for the computerization of common pleas court clerks' offices be authorized and disbursed by the court and instead permits the clerk to do so if the clerk has been elected. It retains the requirement for appointed clerks, and specifies that, in a county in which the clerk of the court of common pleas is appointed, the county executive must authorize and disburse those funds.[29]

Municipal and county court additional fee increase

Continuing law provides that municipal and county courts may determine that additional funds are needed to computerize the clerks of court offices for efficient operation. The act increases the additional fee municipal and county courts may include in their fees and costs schedule from not more than $10 to not more than $20 for electronic filing or related electronic tasks.[30]

Liquor control laws

A-3a liquor permit: manufacturing limit

The act increases the amount of spirituous liquor (intoxicating liquor exceeding 21% alcohol by volume) that a micro-distillery (A-3a liquor permit holder) may annually manufacture under certain conditions. Under prior law, to be eligible for an A-3a permit, a micro-distillery had to manufacture less than 100,000 gallons per year. The act increases that amount by allowing an A-3a permit holder to produce an unlimited amount of spirituous liquor, provided the micro-distillery was issued an A-3a permit before October 24, 2024 (the act's effective date). The removal of the 100,000-gallon limitation for this class of A-3a permit holders applies regardless of whether the permit premises location or ownership is transferred and the permit holder is issued a new A-3a permit. For those manufacturers that receive an A-3a permit on or after the act's effective date, the act retains the 100,000-gallon annual production limit.[31]

Under continuing law, the Division of Liquor Control may issue two types of liquor permits to spirituous liquor distillers, an A-3 and an A-3a liquor permit. An A-3 permit is generally issued to large distilleries (100,000 gallons or more per year). Although both types of distilleries may manufacture spirituous liquor, only an A-3a permit holder may sell spirituous liquor to a personal

[27] R.C. 1901.261(B).

[28] R.C. 1907.261(B).

[29] R.C. 2303.201(B).

[30] R.C. 1901.261(B)(1) and 1907.261(B)(1).

[31] R.C. 4303.041(A).

consumer in sealed containers for consumption off the manufacturing premises.[32] Thus, the act allows larger distilleries (via the increase in the production limit for A-3a permit holders) to sell their spirituous liquor to personal consumers from their distilleries.

Tasting samples of spirituous liquor

The act requires tasting samples of spirituous liquor, when provided at a liquor agency store, to be provided for free, rather than requiring at least a 50¢ charge for each tasting sample as under former law. The act retains the following requirements for providing tasting samples:

- The person consuming the tasting sample must be 21 or above;
- The tasting sample must not exceed a quarter ounce;
- The tasting event must not exceed two hours;
- A person may not consume more than four tasting samples of spirituous liquor per day;
- The tasting samples must be provided by an alcoholic beverage trade marketing professional, broker, or solicitor;
- The liquor agency store must hold a D-8 liquor permit, which authorizes the provision of the tasting samples; and
- The tasting event must take place in the area of the liquor agency store in which spirituous liquor is sold.[33]

Grains of paradise as adulterated alcohol

The act removes grains of paradise from the substances that are prohibited for use in and considered an adulterating agent to spirituous liquor, alcoholic liquor, or beer.[34]

Recorded documents and electronic modernization

Electronic recording for real property and other instruments

The act requires each county recorder, county auditor, and county engineer to provide an electronic method for recording instruments related to the conveyance of real property. The electronic method must be available not later than June 30, 2026, and must adhere to the county's standards governing conveyances (adopted by the county auditor and county engineer).[35] The act also requires county recorders to provide an electronic method for recording certain instruments not related to conveying real property.[36] For instance, this would include instruments regarding personal property transactions.[37] Various instruments both related and

[32] R.C. 4303.04, not in the act, and 4303.041.

[33] R.C. 4301.17 and 4301.171.

[34] R.C. 4399.15.

[35] R.C. 319.203, not in the act, and R.C. 317.13(E)(1).

[36] R.C. 317.13(E)(2).

[37] R.C. 317.08(D), not in the act.

not related to conveying real property are recorded with the county recorder under continuing law, including deeds, easements, and mortgages.[38] Neither electronic recording method (for real property conveyances or for other conveyances) needs to provide for recording instruments that are exempt from recording under the county's standards or under the minimum standards for boundary surveys.[39]

Indexes and instruments available online

A county recorder also is required to make electronic indexes and electronic versions of instruments available to the public via the county recorder's website. The indexes and instruments must be available by June 30, 2026, and must include all instruments recorded on or after January 1, 1980.[40] The act allows a county recorder to require a username and password to access the electronic indexes and instruments, but a county recorder cannot require a fee to create a username and password or to otherwise access the electronic indexes and instruments.[41]

County Recorder Electronic Record Modernization Program

The act creates the County Recorder Electronic Record Modernization Program, administered by the Office of the Treasurer of State, to reimburse counties to assist the county recorder in satisfying the act's requirements. A county is eligible to receive a grant under the program only if the county recorder does not currently satisfy the act's requirements, and the funds can only be used to reimburse expenses that are incurred after October 24, 2024. The act appropriates $6 million to fund the program. A county that receives funds must reimburse the county recorder's Technology Fund to the extent costs have been incurred from the Fund. Finally, a county that receives funds has discretion whether to hire new staff or enter into a contract with a private entity to implement the act's requirements.[42]

Document preservation surcharge

Under continuing law, a county recorder charges the following fees for recording and indexing most instruments using a photocopy or similar process:

- For the first two pages, a base fee of $17 and a Housing Trust Fund fee of $17;
- For each subsequent page, a base fee of $4 and a Housing Trust Fund fee of $4.

The act maintains these fees, and also allows a county recorder to charge a document preservation surcharge of up to $5 regardless of number of pages, to be placed in the county's

[38] R.C. 317.08, not in the act.

[39] R.C. 317.13(E)(3). The minimum standards for boundary surveys are promulgated by the Board of Registration for Professional Engineers and Surveyors. See Ohio Administrative Code Chapter 4733-37.

[40] The website does not include veteran discharge papers or any instrument or portion thereof prohibited from being disclosed under federal or state law.

[41] R.C. 317.13(F).

[42] Sections 4, 5, 6, and 7.

general fund.[43] The act specifies the surcharge is intended to "support the preservation and digitization of documents and ongoing costs incurred by a county recorder's office to make available to the public a web site with appropriate security features, electronic document hosting, online viewing, print and download features that enable an individual to print or download a copy of a public record from the web site."[44]

Fees for recording personal property transactions

Under continuing law, a county recorder charges the following fees for recording and indexing instruments related to tangible or intangible personal property transactions using a photocopy or similar process:

- For the first two pages, a base fee of $14 and a Technology Fund fee of $14, except the full $28 is a base fee if the county recorder does not have a Technology Fund.
- For each subsequent page, a base fee of $4 and a Technology Fund fee of $4, except the full $8 is a base fee if the county recorder does not have a Technology Fund.

The act increases the total fee for the first two pages from $28 to $34 (and maintains the equal split at $17 and $17 in the case of a county recorder who has a Technology Fund) but does not modify the fee for subsequent pages.[45] This makes the fees charged for recording and indexing instruments related to personal property transactions match the fees charged for recording and indexing most other documents. The act does not impose a document preservation surcharge for recording and indexing instruments related to personal property transactions.

Fee for recording living wills and health care powers of attorney

The act increases the minimum amount a county recorder charges for recording living wills and health care powers of attorney. A recorder previously charged between $14 and $20 as a base fee and between $14 and $20 as a Housing Trust Fund fee. The act changes these to between $17 and $20, thus increasing the minimum amount the county recorder charges for each type of fee.[46]

Electronic transmission fee

The act allows a county recorder to charge a base fee of $1 and a Housing Trust Fund fee of $1, per page, to *electronically* transmit a document. Under continuing law unchanged by the act, transmission *via local facsimile* is a $1 base fee and a $1 Housing Trust Fund fee, per page, while transmission *via long distance facsimile* is a $2 base fee and a $2 Housing Trust Fund fee, per page.[47]

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[43] R.C. 317.32(A)(1)(b).

[44] R.C. 317.32(A)(3). The act also specifies the surcharge is not a base fee, which would require an equal amount to be collected as a Housing Trust Fund fee. R.C. 317.36(C).

[45] R.C. 317.32(A)(2).

[46] R.C. 317.32(I).

[47] R.C. 317.32(H).

Power of attorney pertaining to real property

The act requires a power of attorney used for the execution of a real property instrument to be properly executed and acknowledged before the real property instrument is executed and acknowledged. Under continuing law, the power of attorney must be recorded before the real property instrument. Under the act, if the power of attorney is executed or known to have been recorded on the same date, the presumption is it was executed or recorded before the real property instrument.[48]

When a power of attorney is not recorded before the real property instrument, but was executed and acknowledged on the same day that the real property instrument was executed, the act allows the subsequent recording of the power of attorney accompanied by an affidavit. The county recorder must record the supporting affidavit in the official records, indexed by the name of the current record owner. The affidavit must be made by any person having knowledge of the facts or competent to testify concerning them in open court. The affidavit must include all of the following:

- The name of the person appearing by record to be the owner of the property described in the real property instrument executed by virtue of the power of attorney, at the time of the recording of the affidavit;
- The permanent parcel number of the property;
- The legal description of the property subject to the real property instrument executed by virtue of the power of attorney;
- The official record reference of the real property instrument executed by virtue of the power of attorney;
- If the power of attorney that the affidavit accompanies is a photocopy rather than the original, a statement that the photocopy is a true and accurate copy and a statement regarding why the original is not being recorded.[49]

When a power of attorney is not recorded, but the real property instrument has been recorded for at least ten years, the instrument is presumed valid.[50]

Finally, the act specifies the following about these changes:

- The changes are retroactive to the extent allowable under Article II, Section 28 of the Ohio Constitution, which prohibits retroactive legislation that would impair a vested substantive right or a contractual obligation.
- The changes have no effect on the rights of a bona fide purchaser for value who acquired those rights without actual knowledge or constructive notice of the power of attorney,

[48] R.C. 1337.04(B) and (C).

[49] R.C. 1337.04(C).

[50] R.C. 1337.04(E).

the real property instrument executed by virtue of the power of attorney, or a subsequent supporting affidavit.

- The changes have no effect on the law of constructive notice or chain of title analysis set forth in three cases that hold a purchaser does not have constructive notice of an interest recorded outside the purchaser's chain of title.[51]

Mortgage subrogation

Under the act, a mortgage that is granted to secure the repayment of funds used to satisfy another mortgage or lien is subrogated to the priority of the mortgage or lien that was satisfied to the extent of the amount satisfied if both of the following apply:

- The intent of the parties to the new mortgage is that the new mortgage has the priority of the mortgage or lien satisfied;
- The expectation of the holder of a subordinate mortgage or lien at the time that it received its interest was that it would be junior to the mortgage or lien that was satisfied.[52]

In other words, as long as the lender and borrower intend the new mortgage to step into the place of the mortgage being satisfied, and as long as any other subordinate lienholders expected their liens to be subordinate to that prior mortgage, a subsequent mortgage that is used to pay off the prior mortgage has the same priority of the prior mortgage. Priority refers to which creditor gets paid first in the event of a foreclosure.

The act also prohibits a mortgage lender (mortgagee) seeking this type of subrogation from being denied subrogation for any of the following reasons:

- The mortgagee meets any of the following criteria:
  - The mortgagee is engaged in the business of lending;
  - The mortgagee had actual knowledge or constructive notice of the mortgage or lien over which the mortgagee would gain priority through subrogation;
  - The mortgagee or a third party committed a mistake or was negligent.
- The lien for which the mortgagee seeks to be subrogated was released;
- The mortgagee obtained a title insurance policy.[53]

[51] R.C. 1337.04. The three cases are: *Spring Lakes Ltd. v. O.F.M. Co.*, 12 Ohio St.3d 333 (1984); *Ohio Turnpike Commission v. Spellman Outdoor Advertising Services, LLC*, 2010-Ohio-1705; and *Spellman Outdoor Advertising Services, LLC v. Ohio Turnpike and Infrastructure Commission*, 2016-Ohio-7152.

[52] R.C. 5301.234(A).

[53] R.C. 5301.234(B).

The act also clarifies that the holder of any subordinate mortgage or lien retains the same subordinate position they would have had if the prior mortgage had not been satisfied.[54]

Judgment liens

The act specifies that, for a court's judgment to serve as a lien on land, the judgment certificate must include the last known address, without further inquiry or investigation, of each judgment debtor. The address cannot be a P.O. Box. Continuing law requires other information to be included such as the names of the creditors and debtors, amount of the judgment, and date the judgment is rendered; one item required to be included is the volume and page of the journal entry. The act modifies this to allow, alternatively, the instrument number of the judgment entry.[55]

Rental property owner's agent

Continuing law requires rental property owners to file their contact information with the county auditor, who maintains the information on the tax list or real property record. The act allows an owner's *agent* to file the owner's information in lieu of the owner.[56]

Community reinvestment areas

The act clarifies a law that allows political subdivisions that enter into a community reinvestment area (CRA) tax exemption agreement with a commercial or industrial project to claw back exempted taxes if the property does not comply with the agreement.

Background

Under continuing law, counties, municipalities, and home rule townships may designate a CRA in which new construction and building renovations are eligible for property tax exemption. To create a CRA, a subdivision must determine that new housing construction and the repair of existing historically significant buildings in the area has been discouraged. In the resolution creating the CRA, the subdivision specifies a percentage, up to 100%, of the assessed value of improvements that will be exempt and the term of the exemption.

Claw back of exempted taxes

If a CRA will exempt commercial or industrial property, the owner of the property and the political subdivision must enter into an agreement governing the terms of the exemption. In that agreement, the subdivision may specify the circumstances under which the subdivision can revoke the CRA agreement if the property owner does not comply with the agreement, and the manner by which the subdivision could claw back exempted taxes.

Previously, the subdivision had to specify a claw back method in the agreement. The act removes this requirement and instead allows, but does not require, the subdivision to specify a claw back method. It also specifies that potential claw back methods may include a legal action,

[54] R.C. 5301.234(C).

[55] R.C. 2329.02.

[56] R.C. 5323.02.

a lien on the property, or "other means." If the subdivision places a lien on the property, the act requires that the lien be treated in the same manner as a mortgage lien.[57]

Stock state banks

The act expands the reasons a stock state bank may amend its articles of incorporation to include reasons permitted under Ohio Corporation Law. Under continuing law, after the incorporators of the bank receive the subscriptions of shares, the board of directors may adopt amendments to the bank's articles of incorporation, but only for specific reasons listed in the law, including all of the following:

- At certain times to authorize the shares necessary to meet conversion or option rights;
- To reduce the authorized number of shares of a class by the number of shares of that class that been redeemed, or have been surrendered to or acquired by the bank upon conversion, exchange, purchase, or otherwise, or to eliminate from the articles of incorporation all references to the shares of a class, and to make any other change required, when all of the authorized shares of that class have been redeemed, or surrendered to or acquired by the bank;
- To reduce the authorized number of shares of a class by the number of shares of that class that were canceled for not being issued or reissued and for not being fully paid in within one year after the date they were authorized or otherwise became authorized and unissued shares.

The act adds that the board of directors also can amend the articles of incorporation for any purpose authorized by the Ohio Corporation Law.[58]

Law enforcement tows

Law enforcement entities

The act expands the types of law enforcement entities that may order the towing of a motor vehicle to include university campus police departments, park district police forces, and natural resources officers or wildlife officers of the Department of Natural Resources (ODNR) by making all of the law enforcement procedures for towing, storage, and disposal of motor vehicles available to them within their territorial jurisdiction.[59] Furthermore, the act makes the procedures for photographing and recording the information of abandoned junk vehicles, disposing of abandoned junk vehicles, and removing highway obstructions after an accident available to these entities within their territorial jurisdiction.[60]

[57] R.C. 3735.671.

[58] R.C. 1113.13; R.C. 1701.70, not in the act.

[59] R.C. 4513.61 and 4513.62.

[60] R.C. 4513.63, 4513.64, and 4513.66.

Money from disposal

The act also expands the entities that may receive money arising from disposing of an unclaimed towed motor vehicle or abandoned junk motor vehicle. Similar to how under continuing law that money must be deposited into the general fund of the political subdivision (e.g., county, township, conservancy district, or municipal corporation) where the vehicle was abandoned, it adds port authorities, universities, and park districts as entities that may receive that money into their general fund. Furthermore, regarding unclaimed/abandoned motor vehicles within ODNR's jurisdiction, the act requires proceeds from the disposition to be deposited as follows:

- To the Wildlife Fund, if the vehicle was removed from property under the control or jurisdiction of ODNR's Division of Wildlife; or
- To the State Park Fund, if the vehicle was removed from any ODNR property other than property under the control or jurisdiction of the Division of Wildlife.[61]

Additionally, the act clarifies that after an authorized law enforcement agency orders the towing and storage of a motor vehicle, the sheriff or chief of police (or ODNR) must send notice of the tow to *both* the owner and any lienholder of the vehicle. Prior law was unclear if the notice had to be sent to *either* the owner or lienholder (just one) or to both.[62]

Responsible entity for expenses and charges

The act emphasizes that the owner or lienholder of a motor vehicle that is towed by order of law enforcement is responsible for any expenses and charges that are incurred in the vehicle's towing and storage.[63] Continuing law already places the responsibility on the owner and lienholder for such charges within the Towing Law. However, a conflict arises when the towed vehicle is also a stolen motor vehicle and the owner was not the cause of the vehicle needing to be towed.

However, another provision in the Victim's Rights Law states that a law enforcement agency responsible for investigating a criminal offense or delinquent act must promptly return to the victim "any property of the victim that was taken in the course of the investigation." Additionally, that law states the victim cannot "be compelled to pay any charge as a condition of retrieving that property."[64] Given that the act amends the Towing Law and not the Victim's Rights Law, it is unclear whether the act's changes resolve the conflict for stolen vehicles that are subject to towing and storage charges.

Documentary service charges

The act increases the maximum documentary service charge that a dealer may impose as part of the sale or lease of a motor vehicle. Generally, sellers are prohibited from charging an

[61] R.C. 4513. 62 and 4513.63.

[62] R.C. 4513.61(C).

[63] R.C. 4513.61.

[64] R.C. 2930.11, not in the act.

additional fee for document services as part of a retail installment contract. However, continuing law allows an exception for such charges if they were customarily and presently paid in a particular business on March 9, 1949. Documentary service charges are imposed today by motor vehicle dealers and sellers of mobile and manufactured homes.

Under prior law, a motor vehicle dealer was permitted to charge the lesser of $250, or 10% of the amount paid for the vehicle by the buyer or lessee (excluding tax, title, and registration fees, and any negative equity adjustment). The act retains the 10% ceiling, but requires the Registrar of Motor Vehicles to adjust the $250 threshold to account for increases in the Consumer Price Index (CPI), dating back to July 1, 2006. The adjustment is made by adding $250 to the product of $250 times the cumulative change in CPI (U.S. city average for urban wage earners and clerical workers: all items) since that date. The result is then rounded to the nearest whole dollar. For example, the cumulative change to CPI between July 2006, and April 2024, is about 54.5%. So an adjustment made in April 2024, would result in a maximum documentary service charge of $386; ($250 x 0.545) + $250 = $386.31.

The Registrar must make the adjustment on October 24, 2025 (the act's effective date), then annually thereafter on September 30. The first adjustment applies to motor vehicle sales and leases on October 24, 2024, until December 31, 2025. All subsequent adjustments apply to motor vehicle sales and leases in the following calendar year. The adjusted maximum charge cannot be less than that of the preceding adjustment period. If the required calculation produces a lesser amount, the amount determined for the previous period continues to apply. The act also allows the Registrar to use a different measure for inflation if CPI is no longer published.

The Registrar must publish the adjusted maximum charge and the dates to which it applies on a website maintained by the Department of Public Safety.[65]

Lender-provided certificate of title

The act repeals a requirement, enacted in 2023 by H.B. 23 of the 135th General Assembly (the transportation budget), that a holder of a security interest on a motor vehicle ("lender") provide the purchaser of a vehicle with a physical certificate of title following full payment of the security interest ("loan") on the vehicle. The certificate of title had to be provided at no extra cost to the purchaser (i.e., the typical $15 fee).[66] Instead, the act requires the lenders to send a written notice (either physical or electronic) to the vehicle owner that refers them to the Bureau of Motor Vehicles (BMV) website for information on titling options. The lender may send the notice either when the owner enters into the loan (typically at the time of purchase) or when the owner finishes paying the loan.[67] The requirement to send these notices begins on January 1, 2025.[68]

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[65] R.C. 4517.261 and 1317.07.

[66] R.C. 4505.131 (repealed); See the LSC Final Analysis for H.B. 23 (PDF), which is available on the General Assembly's website: legislature.ohio.gov.

[67] R.C. 4505.13.

[68] Section 10.

Relatedly, the act requires BMV to include information regarding titling options, including the fees, on its website for motor vehicle owners to reference after finalizing payment on their loans.[69] Furthermore, it waives any unpaid fines on lenders who did not send physical certificates of title to motor vehicle owners per the prior law requirements. Continuing law imposes a default penalty of up to $200 in fines for violations of the Motor Vehicle Title Law.[70]

Public depositories

Banks and other eligible financial institutions may become public depositories and receive public moneys of the state, political subdivisions, school districts, and other public entities. Under prior law, no institution was eligible to become a public depository or receive any new public deposit if it or any of its directors, officers, employees, or controlling shareholders or persons was a party to an active final or temporary cease-and-desist order issued to ensure the safety and soundness of the institution.[71]

The act removes this prohibition and instead requires any financial institution, including an eligible credit union, that is designated as a public depository to notify the designating governing boards if the institution becomes party to an active prompt correction action directive ("directive") issued by a U.S. regulatory authority.[72] A prompt corrective action directive is a directive issued by the National Credit Union Administration Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Board of Governors of the Federal Reserve System.[73]

While party to a directive, an institution is generally ineligible to serve as a public depository. However, the act permits a governing board to allow the institution to continue to operate as a public depository, or to designate the institution as a public depository for subsequent designation periods, if the governing board determines that doing so is in the public interest.[74] If a governing board makes this determination and public moneys are lost due to the failure of the public depository, the following people are relieved from liability for that loss: the governing board's treasurer and deputy treasurer; an executive director, director, or other person employed by the governing board, its treasurer, or its deputy treasurer; and bondspersons and surety of any of the above.[75]

[69] R.C. 4505.13.

[70] Section 9; R.C. 4505.99, not in the act.

[71] R.C. 135.032 and 135.321.

[72] R.C. 135.032(B).

[73] R.C. 135.032(A); 12 U.S.C. 1790d and 12 U.S.C. 1831o.

[74] R.C. 135.032(C) and (D).

[75] R.C. 135.032(E).

HISTORY

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