

**As Reported by the House Economic and Workforce Development
Committee**

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Am. S. B. No. 257

Senators Chavez, Johnson

**Cosponsors: Senators Lang, Wilson, Cirino, Schaffer, Brenner, Craig, Hackett,
Antani, Antonio, DeMora, Dolan, Gavarone, Hicks-Hudson, Huffman, S., Ingram,
Kunze, Landis, Manning, O'Brien, Reineke, Reynolds, Roegner, Romanchuk,
Smith, Sykes**



A BILL

To amend sections 135.71 and 5919.34 of the Revised 1
Code to make active duty members of the 2
uniformed services eligible to participate in 3
the homeownership savings linked deposit program 4
and regarding Ohio National Guard Scholarship 5
Program repayment interest. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 135.71 and 5919.34 of the Revised 7
Code be amended to read as follows: 8

Sec. 135.71. (A) The general assembly finds that making 9
homeownership more attainable is an important part of fostering 10
a robust and lasting population across the state. However, 11
individuals often struggle to accumulate the financial resources 12
needed to purchase a home. Accordingly, it is declared to be the 13
public policy of the state through the homeownership savings 14
linked deposit program to make available premium rate savings 15

accounts for the down payment and closing costs associated with 16
the purchase of a home. 17

(B) An eligible participant for the homeownership savings 18
linked deposit program is an individual who is a resident of 19
this state, or a member of the uniformed services, on active 20
duty assignment, who is a resident of this state via a residency 21
or domicile election in accordance with 50 U.S.C. 4001, and has 22
applied for a homeownership savings account at an eligible 23
savings institution. A member of the uniformed services, who is 24
an eligible participant, may apply for a homeownership savings 25
account at an eligible savings institution on or after the date 26
affixed to the permanent change of station orders. As used in 27
this division, "active duty" and "uniformed services" have the 28
meanings defined in 10 U.S.C. 101. 29

(C) An eligible participant shall certify on the 30
application that the funds in the homeownership savings account 31
shall be used exclusively for eligible home costs. 32

(D) A homeownership savings account shall be owned by not 33
more than one eligible participant and an eligible participant 34
shall hold not more than one homeownership savings account per 35
program period at any eligible savings institution. 36

(E) The treasurer of state shall report to the tax 37
commissioner any information in the treasurer of state's 38
possession deemed necessary by the tax commissioner to properly 39
administer section 5747.85 of the Revised Code. 40

(F) Not later than January 31, 2027, the treasurer of 41
state and the tax commissioner shall issue a report regarding 42
the efficacy of the homeownership savings linked deposit 43
program. The report shall include all of the following: 44

(1) The number of homeownership savings accounts created;	45
(2) The number of participating eligible savings institutions;	46 47
(3) The total amount contributed into the accounts;	48
(4) The average yield on the accounts;	49
(5) Any other information the treasurer of state or tax commissioner deems relevant.	50 51
The report shall be delivered to the governor, the speaker of the house of representatives, and the president of the senate.	52 53 54
Sec. 5919.34. (A) As used in this section:	55
(1) "Academic term" means any one of the following:	56
(a) Fall term, which consists of fall semester or fall quarter, as appropriate;	57 58
(b) Winter term, which consists of winter semester, winter quarter, or spring semester, as appropriate;	59 60
(c) Spring term, which consists of spring quarter;	61
(d) Summer term, which consists of summer semester or summer quarter, as appropriate.	62 63
(2) "Eligible applicant" means any individual to whom all of the following apply:	64 65
(a) The individual does not possess a baccalaureate degree.	66 67
(b) The individual has enlisted, re-enlisted, or extended current enlistment in the Ohio national guard or is an individual to which division (F) of this section applies.	68 69 70

(c) The individual is actively enrolled as a full-time or 71
part-time student for at least three credit hours of course work 72
in a semester or quarter in a two-year or four-year degree- 73
granting program at a state institution of higher education or a 74
private institution of higher education, in a diploma-granting 75
program at a state or private institution of higher education 76
that is a school of nursing, or in a credential-certifying 77
program, licensing program, trade certification program, or 78
apprenticeship program for an in-demand occupation as identified 79
by the adjutant general and the chancellor of higher education, 80
in consultation with the governor's office of workforce 81
transformation. 82

(d) The individual has not accumulated ninety-six 83
eligibility units under division (E) of this section. 84

(3) "State institution of higher education" means any 85
state university or college as defined in division (A)(1) of 86
section 3345.12 of the Revised Code, community college 87
established under Chapter 3354. of the Revised Code, state 88
community college established under Chapter 3358. of the Revised 89
Code, university branch established under Chapter 3355. of the 90
Revised Code, or technical college established under Chapter 91
3357. of the Revised Code. 92

(4) "Private institution of higher education" means an 93
Ohio institution of higher education that is nonprofit and has 94
received a certificate of authorization pursuant to Chapter 95
1713. of the Revised Code, that is a private institution exempt 96
from regulation under Chapter 3332. of the Revised Code as 97
prescribed in section 3333.046 of the Revised Code, or that 98
holds a certificate of registration and program authorization 99
issued by the state board of career colleges and schools 100

pursuant to section 3332.05 of the Revised Code. 101

(5) "Tuition" means the charges imposed to attend an 102
institution of higher education and includes general and 103
instructional fees. "Tuition" does not include laboratory fees, 104
room and board, or other similar fees and charges. 105

(B) There is hereby created a scholarship program to be 106
known as the Ohio national guard scholarship program. 107

(C) (1) The adjutant general shall approve scholarships for 108
all eligible applicants. The adjutant general shall process all 109
applications for scholarships for each academic term in the 110
order in which they are received. The scholarships shall be made 111
without regard to financial need. At no time shall one person be 112
placed in priority over another because of sex, race, or 113
religion. 114

(2) The adjutant general shall develop and provide a 115
written explanation that informs all eligible scholarship 116
recipients that the recipient may become ineligible and liable 117
for repayment for an amount of scholarship payments received in 118
accordance with division (G) of this section. The written 119
explanation shall be reviewed by the scholarship recipient 120
before acceptance of the scholarship and before acceptance of an 121
enlistment, warrant, commission, or appointment for a term not 122
less than the recipient's remaining term in the national guard 123
or in the active duty component of the United States armed 124
forces. 125

(D) (1) Except as provided in divisions (I) and (J) of this 126
section, for each academic term that an eligible applicant is 127
approved for a scholarship under this section and either remains 128
a current member in good standing of the Ohio national guard or 129

is eligible for a scholarship under division (F) (1) of this 130
section, the institution of higher education in which the 131
applicant is enrolled shall, if the applicant's enlistment 132
obligation extends beyond the end of that academic term or if 133
division (F) (1) of this section applies, be paid on the 134
applicant's behalf the applicable one of the following amounts: 135

(a) If the institution is a state institution of higher 136
education, an amount equal to one hundred per cent of the 137
institution's tuition charges; 138

(b) If the institution is a nonprofit private institution 139
or a private institution exempt from regulation under Chapter 140
3332. of the Revised Code as prescribed in section 3333.046 of 141
the Revised Code, an amount equal to one hundred per cent of the 142
average tuition charges of all state universities; 143

(c) If the institution is an institution that holds a 144
certificate of registration from the state board of career 145
colleges and schools, the lesser of the following: 146

(i) An amount equal to one hundred per cent of the 147
institution's tuition; 148

(ii) An amount equal to one hundred per cent of the 149
average tuition charges of all state universities, as that term 150
is defined in section 3345.011 of the Revised Code. 151

(2) The adjutant general and the chancellor may jointly 152
adopt rules to require the use of other federal educational 153
financial assistance programs, including such programs offered 154
by the United States department of defense, for which an 155
applicant is eligible based on the applicant's military service. 156
If such rules are adopted, the rules shall require that 157
financial assistance received by a scholarship recipient under 158

those programs be applied to all eligible expenses prior to the 159
 use of scholarship funds awarded under this section. Scholarship 160
 funds awarded under this section shall then be applied to the 161
 recipient's remaining eligible expenses. 162

(3) An eligible applicant's scholarship shall not be 163
 reduced by the amount of that applicant's benefits under "the 164
 Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 165
 2553 (1984). 166

(E) A scholarship recipient under this section shall be 167
 entitled to receive scholarships under this section for the 168
 number of quarters or semesters it takes the recipient to 169
 accumulate ninety-six eligibility units as determined under 170
 divisions (E) (1) to (3) of this section. 171

(1) To determine the maximum number of semesters or 172
 quarters for which a recipient is entitled to a scholarship 173
 under this section, the adjutant general shall convert a 174
 recipient's credit hours of enrollment for each academic term 175
 into eligibility units in accordance with the following table: 176

177

	1	2	3	4	5
A	Number of credit hours of enrollment in an academic term	equals	The following number of eligibility units if a semester	or	The following number of eligibility units if a quarter
B	12 or more		12 units		8 units

	hours		
C	9 but less than 12	9 units	6 units
D	6 but less than 9	6 units	4 units
E	3 but less than 6	3 units	2 units

(2) A scholarship recipient under this section may 178
continue to apply for scholarships under this section until the 179
recipient has accumulated ninety-six eligibility units. 180

(3) If a scholarship recipient withdraws from courses 181
prior to the end of an academic term so that the recipient's 182
enrollment for that academic term is less than three credit 183
hours, no scholarship shall be paid on behalf of that person for 184
that academic term. Except as provided in division (F) (3) of 185
this section, if a scholarship has already been paid on behalf 186
of the person for that academic term, the adjutant general shall 187
add to that person's accumulated eligibility units the number of 188
eligibility units for which the scholarship was paid. 189

(F) This division applies to any eligible applicant called 190
into active duty on or after September 11, 2001. As used in this 191
division, "active duty" means active duty pursuant to an 192
executive order of the president of the United States, an act of 193
the congress of the United States, or section 5919.29 or 5923.21 194
of the Revised Code. 195

(1) For a period of up to five years from when an 196
individual's enlistment obligation in the Ohio national guard 197

ends, an individual to whom this division applies is eligible 198
for scholarships under this section for those academic terms 199
that were missed or could have been missed as a result of the 200
individual's call into active duty. Scholarships shall not be 201
paid for the academic term in which an eligible applicant's 202
enlistment obligation ends unless an applicant is eligible under 203
this division for a scholarship for such academic term due to 204
previous active duty. 205

(2) When an individual to whom this division applies 206
withdraws or otherwise fails to complete courses, for which 207
scholarships have been awarded under this section, because the 208
individual was called into active duty, the institution of 209
higher education shall grant the individual a leave of absence 210
from the individual's education program and shall not impose any 211
academic penalty for such withdrawal or failure to complete 212
courses. Division (F) (2) of this section applies regardless of 213
whether or not the scholarship amount was paid to the 214
institution of higher education. 215

(3) If an individual to whom this division applies 216
withdraws or otherwise fails to complete courses because the 217
individual was called into active duty, and if scholarships for 218
those courses have already been paid, either: 219

(a) The adjutant general shall not add to that person's 220
accumulated eligibility units calculated under division (E) of 221
this section the number of eligibility units for the academic 222
courses or term for which the scholarship was paid and the 223
institution of higher education shall repay the scholarship 224
amount to the state. 225

(b) The adjutant general shall add to that individual's 226
accumulated eligibility units calculated under division (E) of 227

this section the number of eligibility units for the academic 228
courses or term for which the scholarship was paid if the 229
institution of higher education agrees to permit the individual 230
to complete the remainder of the academic courses in which the 231
individual was enrolled at the time the individual was called 232
into active duty. 233

(4) No individual who is discharged from the Ohio national 234
guard under other than honorable conditions shall be eligible 235
for scholarships under this division. 236

(G) A scholarship recipient under this section who fails 237
to complete the term of enlistment, re-enlistment, or extension 238
of current enlistment the recipient was serving at the time a 239
scholarship was paid on behalf of the recipient under this 240
section is liable to the state for repayment of a percentage of 241
all Ohio national guard scholarships paid on behalf of the 242
recipient under this section, ~~plus~~. Such a scholarship 243
recipient is also liable for interest at the rate of ten per 244
cent per annum calculated from the dates the scholarships were 245
paid, unless the reason the recipient failed to complete the 246
term of enlistment, re-enlistment, or extension of enlistment 247
was due to enlistment, warrant, commission, or appointment to an 248
active duty or reserve component of the armed forces of the 249
United States. As used in this division, "armed forces" has the 250
same meaning as in section 5903.01 of the Revised Code. This 251
repayment percentage shall equal the percentage of the current 252
term of enlistment, re-enlistment, or extension of enlistment a 253
recipient has not completed as of the date the recipient is 254
discharged from the Ohio national guard. 255

The attorney general may commence a civil action on behalf 256
of the chancellor to recover the amount of the scholarships and 257

the interest provided for in this division and the expenses 258
incurred in prosecuting the action, including court costs and 259
reasonable attorney's fees. A scholarship recipient is not 260
liable under this division if the recipient's failure to 261
complete the term of enlistment being served at the time a 262
scholarship was paid on behalf of the recipient under this 263
section is due to the recipient's death or discharge from the 264
national guard due to disability. 265

(H) On or before the first day of each academic term, the 266
adjutant general shall provide an eligibility roster to the 267
chancellor and to each institution of higher education at which 268
one or more scholarship recipients have applied for enrollment. 269
The institution shall use the roster to certify the actual full- 270
time or part-time enrollment of each scholarship recipient 271
listed as enrolled at the institution and return the roster to 272
the adjutant general and the chancellor. Except as provided in 273
division (J) of this section, the chancellor shall provide for 274
payment of the appropriate number and amount of scholarships to 275
each institution of higher education pursuant to division (D) of 276
this section. If an institution of higher education fails to 277
certify the actual enrollment of a scholarship recipient listed 278
as enrolled at the institution within thirty days of the end of 279
an academic term, the institution shall not be eligible to 280
receive payment from the Ohio national guard scholarship program 281
or from the individual enrollee. The adjutant general shall 282
report on a semiannual basis to the director of budget and 283
management, the speaker of the house of representatives, the 284
president of the senate, and the chancellor the number of Ohio 285
national guard scholarship recipients, the size of the 286
scholarship-eligible population, and a projection of the cost of 287
the program for the remainder of the biennium. 288

(I) The chancellor and the adjutant general may adopt 289
rules pursuant to Chapter 119. of the Revised Code governing the 290
administration and fiscal management of the Ohio national guard 291
scholarship program and the procedure by which the chancellor 292
and the department of the adjutant general may modify the amount 293
of scholarships a member receives based on the amount of other 294
state financial aid a member receives. 295

(J) The adjutant general, the chancellor, and the 296
director, or their designees, shall jointly estimate the costs 297
of the Ohio national guard scholarship program for each upcoming 298
fiscal biennium, and shall report that estimate prior to the 299
beginning of the fiscal biennium to the chairpersons of the 300
finance committees in the general assembly. During each fiscal 301
year of the biennium, the adjutant general, the chancellor, and 302
the director, or their designees, shall meet regularly to 303
monitor the actual costs of the Ohio national guard scholarship 304
program and update cost projections for the remainder of the 305
biennium as necessary. If the amounts appropriated for the Ohio 306
national guard scholarship program and any funds in the Ohio 307
national guard scholarship reserve fund and the Ohio national 308
guard scholarship donation fund are not adequate to provide 309
scholarships in the amounts specified in division (D)(1) of this 310
section for all eligible applicants, the chancellor shall do all 311
of the following: 312

(1) Notify each private institution of higher education, 313
where a scholarship recipient is enrolled, that, by accepting 314
the Ohio national guard scholarship program as payment for all 315
or part of the institution's tuition, the institution agrees 316
that if the chancellor reduces the amount of each scholarship, 317
the institution shall provide each scholarship recipient a grant 318
or tuition waiver in an amount equal to the amount the 319

recipient's scholarship was reduced by the chancellor.	320
(2) Reduce the amount of each scholarship under division	321
(D) (1) (a) of this section proportionally based on the amount of	322
remaining available funds. Each state institution of higher	323
education shall provide each scholarship recipient under	324
division (D) (1) (a) of this section a grant or tuition waiver in	325
an amount equal to the amount the recipient's scholarship was	326
reduced by the chancellor.	327
(K) Notwithstanding division (A) of section 127.14 of the	328
Revised Code, the controlling board shall not transfer all or	329
part of any appropriation for the Ohio national guard	330
scholarship program.	331
(L) The chancellor and the adjutant general may apply for,	332
and may receive and accept grants, and may receive and accept	333
gifts, bequests, and contributions, from public and private	334
sources, including agencies and instrumentalities of the United	335
States and this state, and shall deposit the grants, gifts,	336
bequests, or contributions into the national guard scholarship	337
donation fund.	338
Section 2. That existing sections 135.71 and 5919.34 of	339
the Revised Code are hereby repealed.	340