OHIO MUNICIPAL LEAGUE
Partnering for Stronger Cities and Villages

OHIO SENATE WORKFORCE DEVELOPMENT COMMITTEE
April 14, 2026

Written Interested Party Testimony
Senate Bill 331

Chair Koehler, Vice Chair Reynolds, Ranking Member Ingram, and members of the Senate Workforce Development Committee:

My name is Kent Scarrett, and I serve as the Executive Director of the Ohio Municipal League. Thank you for the opportunity to provide testimony on Senate Bill 331.

The Ohio Municipal League represents the interests of Ohio's cities and villages and works to support policies that allow local governments to effectively serve their residents.

SB331 proposes to allow certain public employees working in defined hospitality settings to accept gratuities in addition to their regular compensation.

Some municipalities in Ohio operate a variety of public-facing facilities – golf courses, pools, event venues, and recreation areas – that often compete directly with private-sector providers for both customers and employees.

SB331 would offer targeted advantages to municipalities that operate hospitality-type facilities:

- Workforce Competitiveness: Allowing gratuities would help local governments compete with private employers for seasonal and part-time workers, particularly in parks, recreation, and tourism-related roles.
- Employee Recruitment and Retention: In a tight labor market, even modest supplemental income opportunities can improve hiring outcomes.
- Operational Flexibility: Municipalities with revenue-generating amenities may benefit from aligning compensation practices more closely with industry norms.

For communities that rely on these services, this flexibility can be very valuable. As is typically the case with municipalities, policy considerations may vary significantly from community to community and based on the type of facility in play.

Regarding exceptions within the ethics law, however, the bill does not clearly amend parallel provisions in the criminal code. Clarification may be needed to ensure that both employees and members of the public are not inadvertently exposed to liability. It is important that public employees cannot be influenced by tips and that those providing the tips are not breaking law by providing additional compensation to a public employee.

And because gratuities would be treated as pensionable compensation, employers would be required to track and report gratuities and retirement contributions would be assessed on those amounts. Municipalities may face issues in administering these requirements, particularly where gratuities are small, variable, or difficult to document.

We encourage continued dialogue to address the constitutional, legal, administrative, and policy considerations. Addressing such items will improve clarity and flexibility – helping to successfully implement this bill at the local level while protecting our members.

Thank you for the opportunity to provide testimony. OML stands ready to work with the sponsors and the committee as this legislation continues to be considered.