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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 163
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 163's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Rader and Deeter

Local Impact Statement Procedure Required: No

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Highlights

- The bill requires the Ohio Department of Job and Family Services to replace all existing electronic benefit transfer (EBT) cards used in the Supplemental Nutrition Assistance Program (SNAP) with chip-enabled cards.
- The bill makes a total appropriation of \$10.6 million in FY 2026 to support the transition to chip-enabled SNAP EBT cards. Of this amount, \$5.3 million is from the General Revenue Fund and \$5.3 million is from federal appropriations. These funds will be used to cover the cost of the replacement, as well as the other costs associated with the transition.

Detailed Analysis

The bill requires the Ohio Department of Job and Family Services (ODJFS) to replace all existing electronic benefit transfer (EBT) cards used in the Supplemental Nutrition Assistance Program (SNAP) with chip-enabled cards that meet the requirements specified in technical guidance prepared by the United States Department of Agriculture (USDA), not later than two years after the bill's effective date. The bill also requires that all cards issued thereafter are chip-enabled. The bill requires ODJFS to adopt rules concerning cybersecurity and digital service related to EBT cards and mobile payments under SNAP, as well as requiring the ODJFS Director to ensure that the Department's website has a mechanism to allow SNAP recipients to report alleged fraud.

The bill appropriates a total of \$10.6 million in FY 2026 to support the transition to chip-enabled SNAP EBT cards. Of this amount, \$5.3 million is from GRF line item 600569, SNAP EBT Modernization and a matching amount is from federal Fund 3840 line item 600610, Food

Assistance Programs.¹ The bill permits the ODJFS Director to certify to the Director of the Office of Budget and Management (OBM) an amount up to the unexpended, unencumbered balance to be reappropriated for FY 2027. These funds will be used for replacement cards, ongoing annual maintenance, and mailing costs to distribute the cards to SNAP recipients. There could be minimal costs to promulgate any necessary rules. ODJFS currently has a mechanism on its website that allows individuals to report fraud. Assuming that this mechanism meets the bill's requirements, there should be no additional costs to update the Department's website.

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¹ On November 15, 2024, the USDA stated that the federal government will reimburse 50% of state expenses to transition SNAP EBT cards to chip-enabled cards. See [Letter to Governors – SNAP EBT Chip Cards](#), which can be accessed by doing a “letter chip cards” keyword search on USDA's website: fns.usda.gov.