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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 163  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

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

**Version:** As Re-referred to House Finance

**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 (ODJFS) to begin issuing new chip-enabled cards beginning on the bill's effective date. Thereafter, ODJFS must replace all existing cards with chip-enabled cards under ODJFS's ordinary time frame for replacing cards.
- The bill makes a total appropriation of \$3.00 million in FY 2027 to support the transition to chip-enabled SNAP EBT cards. Of this amount, \$2.25 million is from the General Revenue Fund and \$750,000 is from federal appropriations.

### Detailed Analysis

The bill requires the Ohio Department of Job and Family Services (ODJFS) to begin issuing new chip-enabled cards beginning on the bill's effective date. Thereafter, ODJFS must replace all existing cards with chip-enabled cards under ODJFS's ordinary time frame for replacing cards. 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 \$3.00 million in FY 2027 to support the transition to chip-enabled SNAP EBT cards. Of this amount, \$2.25 million is from GRF line item 600569, SNAP EBT Modernization and \$750,000 is from federal Fund 3840 line item 600610, Food Assistance Programs. 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.

The federal government currently reimburses 50% of a state's SNAP administrative costs, which includes state expenses to transition to chip-enabled SNAP cards.<sup>1</sup> However, Public Law 119-21, also known as the "One Big Beautiful Bill Act," reduces the federal share of SNAP administrative costs to 25% beginning October 1, 2026.

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<sup>1</sup> 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](https://fns.usda.gov).