

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 574

Representatives Daniels, Dovilla

Cosponsors: Representatives Fischer, Hall, T., Thomas, D., Ritter

To create the Political Subdivision Consolidation	1
Incentive Grant Pilot Program and to make an	2
appropriation.	3

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

Section 1. (A) As used in this section:	4
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"Merger" means a process under which one political	5
subdivision absorbs one or more other political subdivisions, or	6
two or more political subdivisions otherwise combine to create	7
one political subdivision. "Merger" does not include a process	8
under which political subdivisions utilize joint districts to	9
provide services.	10

"Political subdivision" means a body corporate and politic	11
responsible for governmental activities in a geographic area	12
smaller than the state, not including a county.	13

(B) The Political Subdivision Incentive Grant Pilot	14
Program is created to be administered by the Secretary of State	15
for the purpose of awarding grants to political subdivisions	16
after mergers.	17

(C) (1) A township or municipal corporation is eligible to	18
receive a grant if one or more other townships or municipal	19

corporations merged into the township or municipal corporation 20
under Chapter 523. of the Revised Code, sections 709.43 to 21
709.48 of the Revised Code, or under a charter that provides a 22
procedure for merger. 23

(2) A political subdivision other than a township or 24
municipal corporation is eligible to receive a grant if one or 25
more other political subdivisions of a similar nature merge 26
under applicable Revised Code provisions. This division does not 27
give political subdivisions authority to merge. 28

(D) Only a merger that takes effect on or after the 29
effective date of this section is eligible. A political 30
subdivision is eligible to apply, in the manner prescribed by 31
the Secretary of State, beginning the date the merger takes 32
effect. 33

(E) Subject to the availability of funds, the Secretary of 34
State shall award grants on a first-come, first-serve basis to 35
eligible political subdivisions. 36

(F) (1) Townships and municipal corporations shall receive 37
a grant amount according to the following formula: 38

(a) Multiply the population of the remaining, merged 39
township or municipal corporation by forty. 40

(b) Compare the most recent budget of each township or 41
municipal corporation before the merge. Calculate twenty per 42
cent of the lowest budget amount. 43

(c) Add the resulting amount under division (F) (1) (a) and 44
the resulting amount under division (F) (1) (b) of this section. 45
This is the grant amount, subject to a maximum grant amount of 46
two million five hundred thousand dollars. 47

(2) All other political subdivisions shall receive a grant 48
amount as follows: 49

(a) Multiply the population of the remaining, merged 50
political subdivision by twenty. 51

(b) Compare the most recent budget of each political 52
subdivision before the merge. Calculate ten per cent of the 53
lowest budget amount. 54

(c) Add the resulting amount under division (F) (2) (a) and 55
the resulting amount under division (F) (2) (b) of this section. 56
This is the grant amount, subject to a maximum grant amount of 57
one million dollars. 58

(G) A political subdivision shall receive only one grant 59
under the program. 60

Section 2. All items in this act are hereby appropriated 61
as designated out of any moneys in the state treasury to the 62
credit of the designated fund. For all operating appropriations 63
made in this act, those in the first column are for fiscal year 64
2026 and those in the second column are for fiscal year 2027. 65
The operating appropriations made in this act are in addition to 66
any other operating appropriations made for these fiscal years. 67

Section 3. 68

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1	2	3	4	5
A		SOS SECRETARY OF STATE		
B	General Revenue Fund			
C	GRF 050412 Political Subdivision	\$25,000,000		\$0

Consolidation Incentive

D TOTAL Highway Safety Fund Group \$25,000,000 \$0

POLITICAL SUBDIVISION CONSOLIDATION INCENTIVE 70

The foregoing appropriation item 050412, Political 71
Subdivision Consolidation Incentive, shall be used to support 72
the Political Subdivision Incentive Grant Pilot Program 73
established under Section 1 of this act. 74

An amount equal to the unexpended, unencumbered balance of 75
the foregoing appropriation item 050412, Political Subdivision 76
Consolidation Incentive, at the end of fiscal year 2026 is 77
hereby reappropriated to the same appropriation item in fiscal 78
year 2027. 79

Section 4. Within the limits set forth in this act, the 80
Director of Budget and Management shall establish accounts 81
indicating the source and amount of funds for each appropriation 82
made in this act, and shall determine the manner in which 83
appropriation accounts shall be maintained. Expenditures from 84
operating appropriations contained in this act shall be 85
accounted for as though made in, and are subject to all 86
applicable provisions of, H.B. 96 of the 136th General Assembly. 87