OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

S.B. 120
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for S.B. 120's Bill Analysis

Version: As Passed by the Senate

Primary Sponsor: Sen. Hicks-Hudson

Local Impact Statement Procedure Required: No

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Highlights

Fund	FY 2026	FY 2027	Future Years
State General Revenue Fund			
Expenditures	$0	$500,000 increase	$0
School districts and local governments			
Revenues	Possible loss	Possible loss	Possible loss

Note: The fiscal year for the state, school districts, and certain other local governments runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- The bill appropriates $500,000 in FY 2027 from the GRF for the Chancellor of Higher Education, in collaboration with the cooperative extension services of Ohio State University and Central State University, to establish the Urban Farmer Youth Initiative Pilot Program.
- Exemption of temporary greenhouses from building standards oversight may ease expansion of acreage given current agricultural use valuation (CAUV) tax treatment, possibly resulting in loss of property tax revenue to schools and local governments.

Detailed Analysis

The bill creates a pilot program for urban young people interested in agriculture. It changes codified law pertaining to current agricultural use valuation (CAUV), incorporating language currently in the Ohio Administrative Code in a way that appears to have little or no fiscal

effect. It exempts temporary greenhouses from building standards oversight. These changes are discussed below.

Urban Farmer Youth Initiative Pilot Program

The bill appropriates $500,000 in FY 2027 from new GRF line item 235589, Urban Farmer Youth Initiative Pilot Program, for the Chancellor of Higher Education, Ohio State University (OSU) Cooperative Extension Services, and Central State University (CSU) Cooperative Extension Services, to jointly establish the Urban Farmer Youth Initiative Pilot Program to provide relevant programming and support for farming and agriculture to youth ages 6-18 living in urban areas. The bill requires the pilot program to operate for FY 2027 and offer programming in at least two, but no more than four counties. The program's funding may be used to partner with local entities to deliver programming and to support existing agricultural organizations to help expand programming to urban youth. Up to 15% of the FY 2027 appropriation may be used by the collaboration to develop and establish the pilot program.

According to the U.S. Department of Agriculture, extension services provide relevant information through nonformal education and learning activities to farmers, small business owners, consumers, and families in both rural and urban areas. OSU and CSU partner in the offering of agricultural extension services pursuant to federal law that requires a single, comprehensive extension program for a state. Both universities serve as co-executives in counties in which they both have programs and coordinate to create a unified extension program. Although cooperative, and often co-located, both universities work individually and collaboratively to provide services to diverse populations across Ohio. The combined GRF appropriation in H.B. 96 of the 136th General Assembly for extension services amounts to $30.7 million in each of FY 2026 and FY 2027, about 83% of which flows to the OSU Extension.

Current agricultural use valuation change

Land used exclusively for commercial agriculture for three or more years may be given CAUV for tax purposes rather than be valued at its highest and best potential use. The land must either consist of ten or more acres or produce average yearly gross income of $2,500 or more, if less than ten acres. In tax year 2025, nearly 16 million acres statewide qualified for CAUV treatment, reducing taxable value by 70% on average.

The bill amends codified law to permit the total acreage of land accorded CAUV tax treatment to include tracts, lots, and parcels that are not contiguous, provided that the owner's use of the tracts, lots, and parcels is part of a single operation within the same county. This change appears to have little or no fiscal effect, as it codifies similar language in the Ohio Administrative Code, which says that the tracts, lots, or parcels need not be contiguous if title is held by one owner and they are actively farmed as a unit. The added requirement that the acreage all be in the same county could result in some land being valued at its highest and best use, instead of being given CAUV treatment, increasing property tax revenue. Most agricultural land under common ownership likely does not straddle county boundaries, so such tax revenue increases appear likely to be infrequent.

Temporary greenhouses and building codes

The bill adds temporary greenhouses to agricultural buildings or structures that are exempt from oversight by the Board of Building Standards. Temporary greenhouses are

structures covered with transparent or translucent material, used for growing agricultural products, with no foundation and little or no ground preparation. This change could facilitate expansion of acreage accorded CAUV tax treatment, potentially resulting in tax revenue losses to school districts and local governments. The amount of such revenue losses appears uncertain.