

As Introduced

**136th General Assembly
Regular Session
2025-2026**

S. B. No. 201

Senator Schaffer

To amend section 917.031 and to enact section 1
926.181 of the Revised Code to revise the milk 2
inspection fees, to require large agricultural 3
commodity handlers to execute a surety bond in 4
case of failure, and to make an appropriation. 5

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

Section 1. That section 917.031 be amended and section 6
926.181 of the Revised Code be enacted to read as follows: 7

Sec. 917.031. The milk sanitation board may do all of the 8
following: 9

(A) Advise and consult with the director of agriculture in 10
the administration and enforcement of this chapter and rules 11
adopted under it; 12

(B) Make recommendations to the director regarding 13
proposed rules; 14

(C) Approve or disapprove agreements between the director 15
and any public or private entity desiring to perform or 16
performing any of the inspections or analyses required under 17
this chapter and rules adopted under it-; 18

~~The milk sanitation board, after~~ (D) After reviewing the 19

director's annual report required under division (A) (7) of 20
section 917.02 of the Revised Code, ~~shall prescribe inspection~~ 21
~~fees for milk processors, and may prescribe inspection fees for~~ 22
~~milk producers, and milk haulers~~ only if the appropriation from 23
the general revenue fund for inspection purposes is less than 24
the estimated cost of administering and enforcing this chapter. 25
~~The board may modify any fees it has prescribed~~ If the board 26
prescribes fees, such fees, in conjunction with any 27
appropriation, shall not exceed an amount necessary to cover the 28
estimated costs of administering and enforcing this chapter. ~~The~~ 29
However, under no circumstances shall the fees prescribed or 30
modified by the board together with the license fees collected 31
pursuant to this chapter ~~shall not exceed sixty-three per cent~~ 32
of the estimated cost of administering and enforcing this 33
chapter, as determined by the board's review of the director's 34
annual report. The board may modify any fees it has prescribed 35
under this division, provided the fee amounts comply with this 36
division. 37

Sec. 926.181. (A) As used in this section: 38

(1) "Failure" has the same meaning as in section 926.021 39
of the Revised Code. 40

(2) "Large agricultural commodity handler" means an 41
agricultural commodity handler that is licensed under section 42
926.06 of the Revised Code and that annually stores an amount of 43
an agricultural commodity above a threshold that is determined 44
by the director of agriculture. 45

(B) Each applicant for a handler's license that is a large 46
agricultural commodity handler, as condition of receiving such 47
license, shall execute and file or have on file with the 48
director of agriculture a surety bond payable to the state and 49

for deposit in the agricultural commodity depositors fund in 50
case of the failure of the handler. 51

The director shall establish the required amount of the 52
surety bond based on the capacity of each large agricultural 53
commodity handler in accordance with rules adopted by the 54
director under Chapter 119. of the Revised Code. The surety bond 55
shall be executed by a surety company authorized to do business 56
in this state. 57

(C) The director shall not approve any bond until it is 58
personally signed and acknowledged by both principal and surety, 59
or as to either by the principal's or surety's attorney in fact, 60
with a certified copy of the power of attorney attached thereto. 61
The director shall not approve a bond unless there is attached a 62
certificate of the superintendent of insurance that the company 63
is authorized to transact a fidelity and surety business in this 64
state. 65

All bonds shall be given in a form to be prescribed by the 66
director and shall run to the state as obligee. 67

Section 2. That existing section 917.031 of the Revised 68
Code is hereby repealed. 69

Section 3. (A) As used in this section, "dairy processing 70
plant" means a facility that: 71

(1) Is located in this state; 72

(2) Is in operation as of July 1, 2025; and 73

(3) Provides processing services for dairy producers. 74

(B) The Director of Development shall establish a grant 75
program for dairy processing plants. The Director shall 76
prescribe the grant application form. 77

(C) The owner or operator of a dairy processing plant may 78
apply to the Director for a grant under this section. Upon the 79
receipt of a grant application, the Director shall review the 80
application and score it based on the following criteria: 81

(1) Whether the grant will improve the applicant's 82
processing efficiencies for dairy products by allowing for the 83
following: 84

(a) New equipment, including upgrades to existing 85
equipment; 86

(b) New technology, including upgrades to existing 87
technology; and 88

(c) Training of personnel. 89

(2) Whether the grant will be used for the expansion or 90
new construction of facilities for the processing of dairy 91
products, including: 92

(a) Areas for the processing of dairy products; and 93

(b) Refrigeration or freezers. 94

(3) Whether the grant will be used for food safety 95
certification or to assist in obtaining cooperative interstate 96
shipment status; 97

(4) Project readiness. 98

(D) For purposes of divisions (C) (1) through (4) of this 99
section, the Director shall not consider the following as 100
eligible for grant funding: 101

(1) Improvements to personal residences; 102

(2) Agricultural tractors, motorized vehicles, and other 103
mobile equipment with an internal combustion engine; 104

(3) Land purchases.					105
(E) Dairy processing plants awarded a grant under this					106
section shall maintain the equipment, technology, plant					107
expansion, or new construction in working and serviceable order					108
for a period of five years after the awarding of the grant.					109
(F) The Director shall not award a grant to an applicant					110
under this section for more than two hundred fifty thousand					111
dollars.					112
Section 4. All items in this act are hereby appropriated					113
as designated out of any moneys in the state treasury to the					114
credit of the designated fund. For all operating appropriations					115
made in this act, those in the first column are for fiscal year					116
2026 and those in the second column are for fiscal year 2027.					117
The operating appropriations made in this act are in addition to					118
any other operating appropriations made for these fiscal years.					119
Section 5.					120
					121
1	2	3	4	5	
A AGR DEPARTMENT OF AGRICULTURE					
B General Revenue Fund					
C	GRF	700401 Animal Health Programs	\$627,500	\$627,500	
D	GRF	700403 Dairy Division	\$1,751,000	\$1,787,000	
E	GRF	700415 Poultry Inspection	\$627,500	\$627,500	
F	GRF	700512 Local Fairs	\$0	\$4,700,000	

G	GRF 700516 Dairy Processing Grants	\$12,500,000	\$12,500,000
H	General Revenue Fund Group Total	\$15,506,000	\$20,242,000
I	Dedicated Purpose Fund Group		
J	5CQ1 700430 Ohio Livestock Show and Sale	\$1,000,000	\$1,000,000
K	6H20 700670 H2Ohio	\$26,907,500	\$26,962,000
L	Dedicated Purpose Fund Group Total	\$27,907,500	\$27,962,000
M	TOTAL ALL BUDGET FUND GROUPS	\$43,413,500	\$48,204,000

LOCAL FAIRS 122

The foregoing appropriation item 700512, Local Fairs, 123
shall be used to support county and independent agricultural 124
societies. 125

DAIRY PROCESSING GRANTS 126

The foregoing appropriation item 700516, Dairy Processing 127
Grants, shall be used to administer the Dairy Processing Grants 128
Program established in Section 3 of this act. 129

The unexpended, unencumbered portion of appropriation item 130
700516, Dairy Processing Grants, at the end of fiscal year 2026 131
is hereby reappropriated for the same purpose in fiscal year 132
2027. 133

OHIO LIVESTOCK SHOW AND SALE 134

The foregoing appropriation item 700430, Ohio Livestock 135
Show and Sale, shall be used to offset up to fifty per cent of 136
the rental and equipment costs for state and national livestock 137

events held at the Ohio Expo Center. 138

On July 1 of each fiscal year, or as soon as possible 139
thereafter, the Director of Budget and Management shall transfer 140
\$1,000,000 cash from the General Revenue Fund to the Ohio 141
Livestock Show and Sale Fund (Fund 5CQ1), which is hereby 142
created in the state treasury. 143

Section 6. 144

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	1	2	3	4	5
A			EPA ENVIRONMENTAL PROTECTION AGENCY		
B			Dedicated Purpose Fund Group		
C	6H20	715695	H2Ohio	\$12,637,015	\$12,637,015
D			Dedicated Purpose Fund Group Total	\$12,637,015	\$12,637,015
E			TOTAL ALL BUDGET FUND GROUPS	\$12,637,015	\$12,637,015

Section 7. 146

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	1	2	3	4	5
A			BOR DEPARTMENT OF HIGHER EDUCATION		
B			General Revenue Fund		
C	GRF	235535	Ohio State Agricultural Research	\$37,169,000	\$37,169,000
D	GRF	235569	The Ohio State University	\$20,000,000	\$20,000,000

College of Veterinary

Medicine Supplement

E General Revenue Fund Total \$57,169,000 \$57,169,000

F TOTAL ALL BUDGET FUND GROUPS \$57,169,000 \$57,169,000

OHIO STATE AGRICULTURAL RESEARCH 148

The foregoing appropriation item 235535, Ohio State 149
Agricultural Research, shall be disbursed through the Chancellor 150
of Higher Education to the Ohio State University in monthly 151
payments, unless otherwise determined by the Director of Budget 152
and Management under section 126.09 of the Revised Code. 153

The Ohio Agricultural Research and Development Center 154
(OARDC), an entity of the College of Food, Agricultural, and 155
Environmental Sciences (CFAES) of the Ohio State University, 156
shall maintain its biosafety level three plant and animal 157
agrosecurity research facility on the CFAES Wooster campus for 158
conducting research on infectious diseases of plants and 159
animals. OARDC shall further its mission of enhancing Ohio's 160
economic development and job creation by continuing to 161
internally allocate on a competitive basis appropriated funding 162
of programs based on demonstrated performance. Academic units, 163
faculty, and faculty-driven programs shall be evaluated and 164
rewarded consistent with agreed-upon performance expectations as 165
called for in the College's Expectations and Criteria for 166
Performance Assessment. 167

THE OHIO STATE UNIVERSITY COLLEGE OF VETERINARY MEDICINE 168
SUPPLEMENT 169

The foregoing appropriation item 235569, The Ohio State 170

University College of Veterinary Medicine Supplement, shall be 171
distributed through the Chancellor of Higher Education to the 172
Ohio State University College of Veterinary Medicine to provide 173
supplemental support for education, research, and operations. 174

Section 8. 175
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	1	2	3	4	5
A			DNR DEPARTMENT OF NATURAL RESOURCES		
B			Dedicated Purpose Fund Group		
C	6H20	725681	H2Ohio	\$20,422,268	\$20,422,268
D			Dedicated Purpose Fund Group Total	\$20,422,268	\$20,422,268
E			TOTAL ALL BUDGET FUND GROUPS	\$20,422,268	\$20,422,268

Section 9. CASH TRANSFER FROM THE GENERAL REVENUE FUND TO 177
THE H2OHIO FUND 178

On July 1, 2025, or as soon as possible thereafter, the 179
Director of Budget and Management shall transfer \$120,276,066 180
cash from the General Revenue Fund to the H2Ohio Fund (Fund 181
6H20). 182

Section 10. Within the limits set forth in this act, the 183
Director of Budget and Management shall establish accounts 184
indicating the source and amount of funds for each appropriation 185
made in this act, and shall determine the manner in which 186
appropriation accounts shall be maintained. Expenditures from 187
operating appropriations contained in this act shall be 188
accounted for as though made in, and are subject to all 189
applicable provisions of, the main operating appropriations act 190

of the 136th General Assembly.

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