

**As Passed by the House**

**135th General Assembly**

**Regular Session**

**2023-2024**

**Am. S. B. No. 257**

**Senators Chavez, Johnson**

**Cosponsors: Senators Lang, Wilson, Cirino, Schaffer, Brenner, Craig, Hackett, Antani, Antonio, DeMora, Dolan, Gavarone, Hicks-Hudson, Huffman, S., Ingram, Kunze, Landis, Manning, O'Brien, Reineke, Reynolds, Roegner, Romanchuk, Smith, Sykes**

**Representatives Abrams, Baker, Bird, Blackshear, Brennan, Carruthers, Cross, Daniels, Dell'Aquila, Demetriou, Dobos, Edwards, Fischer, Forhan, Ghanbari, Grim, Gross, Hoops, Isaacsohn, Jarrells, John, Jones, Kick, King, Lampton, Lear, Liston, Lorenz, Manning, Mathews, Miller, J., Mohamed, Oelslager, Patton, Peterson, Piccolantonio, Pizzulli, Plummer, Richardson, Roemer, Rogers, Russo, Schmidt, Seitz, Sims, Stein, Swearingen, Sweeney, Thomas, C., Troy, Upchurch, Weinstein, White, Whitted, Williams, Willis, Young, T.**



**A BILL**

To amend sections 135.71 and 5919.34 of the Revised Code to make active duty members of the uniformed services eligible to participate in the homeownership savings linked deposit program and regarding Ohio National Guard Scholarship Program repayment interest.

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

**Section 1.** That sections 135.71 and 5919.34 of the Revised Code be amended to read as follows:

**Sec. 135.71.** (A) The general assembly finds that making homeownership more attainable is an important part of fostering a robust and lasting population across the state. However,

individuals often struggle to accumulate the financial resources 12  
needed to purchase a home. Accordingly, it is declared to be the 13  
public policy of the state through the homeownership savings 14  
linked deposit program to make available premium rate savings 15  
accounts for the down payment and closing costs associated with 16  
the purchase of a home. 17

(B) An eligible participant for the homeownership savings 18  
linked deposit program is an individual who is a resident of 19  
this state, or a member of the uniformed services, on active 20  
duty assignment, who is a resident of this state via a residency 21  
or domicile election in accordance with 50 U.S.C. 4001, and has 22  
applied for a homeownership savings account at an eligible 23  
savings institution. A member of the uniformed services, who is 24  
an eligible participant, may apply for a homeownership savings 25  
account at an eligible savings institution on or after the date 26  
affixed to the permanent change of station orders. As used in 27  
this division, "active duty" and "uniformed services" have the 28  
meanings defined in 10 U.S.C. 101. 29

(C) An eligible participant shall certify on the 30  
application that the funds in the homeownership savings account 31  
shall be used exclusively for eligible home costs. 32

(D) A homeownership savings account shall be owned by not 33  
more than one eligible participant and an eligible participant 34  
shall hold not more than one homeownership savings account per 35  
program period at any eligible savings institution. 36

(E) The treasurer of state shall report to the tax 37  
commissioner any information in the treasurer of state's 38  
possession deemed necessary by the tax commissioner to properly 39  
administer section 5747.85 of the Revised Code. 40

(F) Not later than January 31, 2027, the treasurer of state and the tax commissioner shall issue a report regarding the efficacy of the homeownership savings linked deposit program. The report shall include all of the following:

- (1) The number of homeownership savings accounts created;
- (2) The number of participating eligible savings institutions;
- (3) The total amount contributed into the accounts;
- (4) The average yield on the accounts;
- (5) Any other information the treasurer of state or tax commissioner deems relevant.

The report shall be delivered to the governor, the speaker of the house of representatives, and the president of the senate.

**Sec. 5919.34.** (A) As used in this section:

- (1) "Academic term" means any one of the following:
  - (a) Fall term, which consists of fall semester or fall quarter, as appropriate;
  - (b) Winter term, which consists of winter semester, winter quarter, or spring semester, as appropriate;
  - (c) Spring term, which consists of spring quarter;
  - (d) Summer term, which consists of summer semester or summer quarter, as appropriate.
- (2) "Eligible applicant" means any individual to whom all of the following apply:
  - (a) The individual does not possess a baccalaureate

degree. 67

(b) The individual has enlisted, re-enlisted, or extended 68  
current enlistment in the Ohio national guard or is an 69  
individual to which division (F) of this section applies. 70

(c) The individual is actively enrolled as a full-time or 71  
part-time student for at least three credit hours of course work 72  
in a semester or quarter in a two-year or four-year degree- 73  
granting program at a state institution of higher education or a 74  
private institution of higher education, in a diploma-granting 75  
program at a state or private institution of higher education 76  
that is a school of nursing, or in a credential-certifying 77  
program, licensing program, trade certification program, or 78  
apprenticeship program for an in-demand occupation as identified 79  
by the adjutant general and the chancellor of higher education, 80  
in consultation with the governor's office of workforce 81  
transformation. 82

(d) The individual has not accumulated ninety-six 83  
eligibility units under division (E) of this section. 84

(3) "State institution of higher education" means any 85  
state university or college as defined in division (A)(1) of 86  
section 3345.12 of the Revised Code, community college 87  
established under Chapter 3354. of the Revised Code, state 88  
community college established under Chapter 3358. of the Revised 89  
Code, university branch established under Chapter 3355. of the 90  
Revised Code, or technical college established under Chapter 91  
3357. of the Revised Code. 92

(4) "Private institution of higher education" means an 93  
Ohio institution of higher education that is nonprofit and has 94  
received a certificate of authorization pursuant to Chapter 95

1713. of the Revised Code, that is a private institution exempt 96  
from regulation under Chapter 3332. of the Revised Code as 97  
prescribed in section 3333.046 of the Revised Code, or that 98  
holds a certificate of registration and program authorization 99  
issued by the state board of career colleges and schools 100  
pursuant to section 3332.05 of the Revised Code. 101

(5) "Tuition" means the charges imposed to attend an 102  
institution of higher education and includes general and 103  
instructional fees. "Tuition" does not include laboratory fees, 104  
room and board, or other similar fees and charges. 105

(B) There is hereby created a scholarship program to be 106  
known as the Ohio national guard scholarship program. 107

(C) (1) The adjutant general shall approve scholarships for 108  
all eligible applicants. The adjutant general shall process all 109  
applications for scholarships for each academic term in the 110  
order in which they are received. The scholarships shall be made 111  
without regard to financial need. At no time shall one person be 112  
placed in priority over another because of sex, race, or 113  
religion. 114

(2) The adjutant general shall develop and provide a 115  
written explanation that informs all eligible scholarship 116  
recipients that the recipient may become ineligible and liable 117  
for repayment for an amount of scholarship payments received in 118  
accordance with division (G) of this section. The written 119  
explanation shall be reviewed by the scholarship recipient 120  
before acceptance of the scholarship and before acceptance of an 121  
enlistment, warrant, commission, or appointment for a term not 122  
less than the recipient's remaining term in the national guard 123  
or in the active duty component of the United States armed 124  
forces. 125

(D) (1) Except as provided in divisions (I) and (J) of this section, for each academic term that an eligible applicant is approved for a scholarship under this section and either remains a current member in good standing of the Ohio national guard or is eligible for a scholarship under division (F) (1) of this section, the institution of higher education in which the applicant is enrolled shall, if the applicant's enlistment obligation extends beyond the end of that academic term or if division (F) (1) of this section applies, be paid on the applicant's behalf the applicable one of the following amounts:

(a) If the institution is a state institution of higher education, an amount equal to one hundred per cent of the institution's tuition charges;

(b) If the institution is a nonprofit private institution or a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, an amount equal to one hundred per cent of the average tuition charges of all state universities;

(c) If the institution is an institution that holds a certificate of registration from the state board of career colleges and schools, the lesser of the following:

(i) An amount equal to one hundred per cent of the institution's tuition;

(ii) An amount equal to one hundred per cent of the average tuition charges of all state universities, as that term is defined in section 3345.011 of the Revised Code.

(2) The adjutant general and the chancellor may jointly adopt rules to require the use of other federal educational financial assistance programs, including such programs offered

by the United States department of defense, for which an 155  
applicant is eligible based on the applicant's military service. 156  
If such rules are adopted, the rules shall require that 157  
financial assistance received by a scholarship recipient under 158  
those programs be applied to all eligible expenses prior to the 159  
use of scholarship funds awarded under this section. Scholarship 160  
funds awarded under this section shall then be applied to the 161  
recipient's remaining eligible expenses. 162

(3) An eligible applicant's scholarship shall not be 163  
reduced by the amount of that applicant's benefits under "the 164  
Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 165  
2553 (1984). 166

(E) A scholarship recipient under this section shall be 167  
entitled to receive scholarships under this section for the 168  
number of quarters or semesters it takes the recipient to 169  
accumulate ninety-six eligibility units as determined under 170  
divisions (E) (1) to (3) of this section. 171

(1) To determine the maximum number of semesters or 172  
quarters for which a recipient is entitled to a scholarship 173  
under this section, the adjutant general shall convert a 174  
recipient's credit hours of enrollment for each academic term 175  
into eligibility units in accordance with the following table: 176

177

	1	2	3	4	5
A	Number of	equals	The	or	The
	credit hours of		following		following
	enrollment in		number of		number of

	an academic term	eligibility units if a semester	eligibility units if a quarter
B	12 or more hours	12 units	8 units
C	9 but less than 12	9 units	6 units
D	6 but less than 9	6 units	4 units
E	3 but less than 6	3 units	2 units

(2) A scholarship recipient under this section may 178  
continue to apply for scholarships under this section until the 179  
recipient has accumulated ninety-six eligibility units. 180

(3) If a scholarship recipient withdraws from courses 181  
prior to the end of an academic term so that the recipient's 182  
enrollment for that academic term is less than three credit 183  
hours, no scholarship shall be paid on behalf of that person for 184  
that academic term. Except as provided in division (F) (3) of 185  
this section, if a scholarship has already been paid on behalf 186  
of the person for that academic term, the adjutant general shall 187  
add to that person's accumulated eligibility units the number of 188  
eligibility units for which the scholarship was paid. 189

(F) This division applies to any eligible applicant called 190  
into active duty on or after September 11, 2001. As used in this 191  
division, "active duty" means active duty pursuant to an 192  
executive order of the president of the United States, an act of 193



the congress of the United States, or section 5919.29 or 5923.21 194  
of the Revised Code. 195

(1) For a period of up to five years from when an 196  
individual's enlistment obligation in the Ohio national guard 197  
ends, an individual to whom this division applies is eligible 198  
for scholarships under this section for those academic terms 199  
that were missed or could have been missed as a result of the 200  
individual's call into active duty. Scholarships shall not be 201  
paid for the academic term in which an eligible applicant's 202  
enlistment obligation ends unless an applicant is eligible under 203  
this division for a scholarship for such academic term due to 204  
previous active duty. 205

(2) When an individual to whom this division applies 206  
withdraws or otherwise fails to complete courses, for which 207  
scholarships have been awarded under this section, because the 208  
individual was called into active duty, the institution of 209  
higher education shall grant the individual a leave of absence 210  
from the individual's education program and shall not impose any 211  
academic penalty for such withdrawal or failure to complete 212  
courses. Division (F)(2) of this section applies regardless of 213  
whether or not the scholarship amount was paid to the 214  
institution of higher education. 215

(3) If an individual to whom this division applies 216  
withdraws or otherwise fails to complete courses because the 217  
individual was called into active duty, and if scholarships for 218  
those courses have already been paid, either: 219

(a) The adjutant general shall not add to that person's 220  
accumulated eligibility units calculated under division (E) of 221  
this section the number of eligibility units for the academic 222  
courses or term for which the scholarship was paid and the 223

institution of higher education shall repay the scholarship 224  
amount to the state. 225

(b) The adjutant general shall add to that individual's 226  
accumulated eligibility units calculated under division (E) of 227  
this section the number of eligibility units for the academic 228  
courses or term for which the scholarship was paid if the 229  
institution of higher education agrees to permit the individual 230  
to complete the remainder of the academic courses in which the 231  
individual was enrolled at the time the individual was called 232  
into active duty. 233

(4) No individual who is discharged from the Ohio national 234  
guard under other than honorable conditions shall be eligible 235  
for scholarships under this division. 236

(G) A scholarship recipient under this section who fails 237  
to complete the term of enlistment, re-enlistment, or extension 238  
of current enlistment the recipient was serving at the time a 239  
scholarship was paid on behalf of the recipient under this 240  
section is liable to the state for repayment of a percentage of 241  
all Ohio national guard scholarships paid on behalf of the 242  
recipient under this section, ~~plus~~. Such a scholarship 243  
recipient is also liable for interest at the rate of ten per 244  
cent per annum calculated from the dates the scholarships were 245  
paid, unless the reason the recipient failed to complete the 246  
term of enlistment, re-enlistment, or extension of enlistment 247  
was due to enlistment, warrant, commission, or appointment to an 248  
active duty or reserve component of the armed forces of the 249  
United States. As used in this division, "armed forces" has the 250  
same meaning as in section 5903.01 of the Revised Code. This 251  
repayment percentage shall equal the percentage of the current 252  
term of enlistment, re-enlistment, or extension of enlistment a 253

recipient has not completed as of the date the recipient is 254  
discharged from the Ohio national guard. 255

The attorney general may commence a civil action on behalf 256  
of the chancellor to recover the amount of the scholarships and 257  
the interest provided for in this division and the expenses 258  
incurred in prosecuting the action, including court costs and 259  
reasonable attorney's fees. A scholarship recipient is not 260  
liable under this division if the recipient's failure to 261  
complete the term of enlistment being served at the time a 262  
scholarship was paid on behalf of the recipient under this 263  
section is due to the recipient's death or discharge from the 264  
national guard due to disability. 265

(H) On or before the first day of each academic term, the 266  
adjutant general shall provide an eligibility roster to the 267  
chancellor and to each institution of higher education at which 268  
one or more scholarship recipients have applied for enrollment. 269  
The institution shall use the roster to certify the actual full- 270  
time or part-time enrollment of each scholarship recipient 271  
listed as enrolled at the institution and return the roster to 272  
the adjutant general and the chancellor. Except as provided in 273  
division (J) of this section, the chancellor shall provide for 274  
payment of the appropriate number and amount of scholarships to 275  
each institution of higher education pursuant to division (D) of 276  
this section. If an institution of higher education fails to 277  
certify the actual enrollment of a scholarship recipient listed 278  
as enrolled at the institution within thirty days of the end of 279  
an academic term, the institution shall not be eligible to 280  
receive payment from the Ohio national guard scholarship program 281  
or from the individual enrollee. The adjutant general shall 282  
report on a semiannual basis to the director of budget and 283  
management, the speaker of the house of representatives, the 284

president of the senate, and the chancellor the number of Ohio 285  
national guard scholarship recipients, the size of the 286  
scholarship-eligible population, and a projection of the cost of 287  
the program for the remainder of the biennium. 288

(I) The chancellor and the adjutant general may adopt 289  
rules pursuant to Chapter 119. of the Revised Code governing the 290  
administration and fiscal management of the Ohio national guard 291  
scholarship program and the procedure by which the chancellor 292  
and the department of the adjutant general may modify the amount 293  
of scholarships a member receives based on the amount of other 294  
state financial aid a member receives. 295

(J) The adjutant general, the chancellor, and the 296  
director, or their designees, shall jointly estimate the costs 297  
of the Ohio national guard scholarship program for each upcoming 298  
fiscal biennium, and shall report that estimate prior to the 299  
beginning of the fiscal biennium to the chairpersons of the 300  
finance committees in the general assembly. During each fiscal 301  
year of the biennium, the adjutant general, the chancellor, and 302  
the director, or their designees, shall meet regularly to 303  
monitor the actual costs of the Ohio national guard scholarship 304  
program and update cost projections for the remainder of the 305  
biennium as necessary. If the amounts appropriated for the Ohio 306  
national guard scholarship program and any funds in the Ohio 307  
national guard scholarship reserve fund and the Ohio national 308  
guard scholarship donation fund are not adequate to provide 309  
scholarships in the amounts specified in division (D) (1) of this 310  
section for all eligible applicants, the chancellor shall do all 311  
of the following: 312

(1) Notify each private institution of higher education, 313  
where a scholarship recipient is enrolled, that, by accepting 314

the Ohio national guard scholarship program as payment for all 315  
or part of the institution's tuition, the institution agrees 316  
that if the chancellor reduces the amount of each scholarship, 317  
the institution shall provide each scholarship recipient a grant 318  
or tuition waiver in an amount equal to the amount the 319  
recipient's scholarship was reduced by the chancellor. 320

(2) Reduce the amount of each scholarship under division 321  
(D) (1) (a) of this section proportionally based on the amount of 322  
remaining available funds. Each state institution of higher 323  
education shall provide each scholarship recipient under 324  
division (D) (1) (a) of this section a grant or tuition waiver in 325  
an amount equal to the amount the recipient's scholarship was 326  
reduced by the chancellor. 327

(K) Notwithstanding division (A) of section 127.14 of the 328  
Revised Code, the controlling board shall not transfer all or 329  
part of any appropriation for the Ohio national guard 330  
scholarship program. 331

(L) The chancellor and the adjutant general may apply for, 332  
and may receive and accept grants, and may receive and accept 333  
gifts, bequests, and contributions, from public and private 334  
sources, including agencies and instrumentalities of the United 335  
States and this state, and shall deposit the grants, gifts, 336  
bequests, or contributions into the national guard scholarship 337  
donation fund. 338

**Section 2.** That existing sections 135.71 and 5919.34 of 339  
the Revised Code are hereby repealed. 340