



A CASE STUDY

How The Buckeye Institute Helped Ohio Regain Its Role as an Economic Powerhouse



THE BUCKEYE INSTITUTE



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A CASE STUDY: THE CHALLENGE

For decades, Ohio was a leader in economic growth, innovation, job creation, and new investment. Ohio was the birthplace of aviation, a massive iron and steel industry, tire and rubber manufacturing, automobile production, and home to renowned inventors and innovators, including the Wright brothers, Charles Kettering, and J.D. Rockefeller. But the industrial decline of the late 20th century decimated entire industries along with the jobs and communities they supported. With the loss of **hundreds of thousands of manufacturing jobs**, Ohio fell behind other states and had to reinvent itself to shed its declining Rust Belt image. The Buckeye Institute had the pro-growth policy solutions to return Ohio to its leadership role.



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A CASE STUDY: THE APPROACH & THE RESULT

The Buckeye Institute is a leading advocate for pro-growth economic policies that benefit workers, families, and businesses alike. Buckeye's focus on cutting burdensome and unnecessary regulations, cutting taxes, modernizing Ohio's workforce, and making energy more affordable and abundant has positioned Ohio to regain its role as an economic powerhouse. As a result of The Buckeye Institute's tireless efforts, Ohio is a better place to work and do business, and the state is attracting jobs and investment. Through its policy research, legislative testimony, legal and policy advocacy, and ability to bring together diverse coalitions, The Buckeye Institute has helped secure hundreds of pro-growth policy victories over the years, policies that have benefited Ohioans.

Protecting Small Businesses from Frivolous Lawsuits (**Senate Bill 80** – 2004)

Long an advocate of tort reform, The Buckeye Institute has consistently spotlighted excessive litigation and unpredictable damage awards as drivers of **rising employer costs**, making it harder for small and medium-sized businesses to operate in the Buckeye State. Buckeye **argued** that burdensome litigation and runaway jury awards created uncertainty for entrepreneurs and job creators and forced businesses to devote excessive resources to litigation and liability protection rather than to expansion, hiring, and innovation.

The Buckeye Institute's efforts culminated in Senate Bill 80—Ohio's landmark 2004 tort reform law. The legislation established limits on noneconomic and punitive damages, created greater predictability in civil litigation, and strengthened protections for smaller businesses facing costly lawsuits. One of the nation's most significant legal reforms, Senate Bill 80 helped create a more stable legal environment for employers across the state. The law realized a **long-standing Buckeye policy goal** while improving Ohio's business climate and economic competitiveness.

Cutting Taxes for Ohioans (**House Bill 66** – 2005)

The Buckeye Institute knew that Ohio's tax structure was undermining economic growth and making it harder for the state to attract jobs and business investment. Since its founding, Buckeye has advocated for cutting taxes and putting Ohio on a path towards



eliminating the state's income tax. Buckeye's **policy papers**, **economic research**, and early advocacy focused on Ohio's high personal income tax rates and outdated business taxes, which contributed to the state's sluggish economic performance. Buckeye's scholars consistently called for broad tax relief to help Ohioans keep more of what they earn and to create a stronger environment for economic growth.

Working with then-Governor Bob Taft's office and members of the General Assembly, The Buckeye Institute took aim at cutting the state income tax and eliminating Ohio's corporate franchise tax and tangible personal property tax, which were inefficient and uncompetitive compared to other states. The Buckeye Institute's call to lawmakers was for lower taxes on Ohioans, a simpler business tax system, and stronger protections for small and medium-sized businesses. Buckeye's efforts helped shape the debate surrounding House Bill 66, which included some of the most consequential tax reforms in modern state history—beginning with a phased 21 percent reduction in Ohio's personal income tax rates. The bill also phased out the corporate franchise tax and the tangible personal property tax. The reform delivered tax relief to millions of Ohioans over five years. Work to improve Ohio's tax system continued in the years that followed, but House Bill 66 marked one of The Buckeye Institute's most significant victories in making Ohio more economically competitive.

Restructuring the Energy Market and Energy & Efficiency Standards (Senate Bill 221 – 2008)

As Ohio's economy increasingly relied on affordable, reliable energy, The Buckeye Institute advocated for policies to promote competition, encourage private investment, and modernize the state's energy sector. Ohio's energy market faced regulatory barriers and an investment climate that Buckeye argued discouraged competition and innovation. Buckeye promoted policies to expand consumer choice, encourage investment, and improve the long-term affordability and reliability of electricity.

Senate Bill 221, enacted in 2008, restructured significant portions of Ohio's electricity market and established a long-term framework governing electricity generation and distribution. The legislation expanded opportunities for producers and consumers to generate and purchase electricity while reshaping Ohio's energy policy. These changes contributed to a more competitive electricity market and created a framework that influenced investment and energy development in the years that followed.



Throughout subsequent energy policy debates, Buckeye consistently advocated for strengthening the market-oriented elements of Ohio's energy laws while opposing provisions it viewed as government mandates or unnecessary market distortions. By emphasizing competition, consumer choice, and private investment, Buckeye sought to advance policies that would support economic growth and make Ohio a more attractive place to work, live, and do business.

Abolishing the Estate Tax (House Bill 153 – 2011)

The Buckeye Institute knew that Ohio's estate tax punished families, small business owners, and farmers for their lifetime of work and saving. Going back to the early 2000s, The Buckeye Institute's research—*Making Sense of Ohio's Estate Tax* and *Death Tax Hurts Ohio*—called for eliminating the estate tax and demonstrated that the tax often forced families to divert resources from investment and job creation to prepare for future tax liabilities. Buckeye's research also showed that the estate tax placed Ohio at a competitive disadvantage compared to neighboring states that had lowered or eliminated similar taxes. Long before repeal became politically feasible, The Buckeye Institute was at the forefront of the debate, helping build public support and encouraging lawmakers to act.

Buckeye's early advocacy culminated in House Bill 153, which fully repealed the state's estate tax, effectively fulfilling a policy goal that The Buckeye Institute had championed for more than two decades and strengthening Ohio's business climate. By ending the tax, Ohio joined a growing number of states that had abandoned similar taxes, thereby improving the state's economic competitiveness and making Ohio a more attractive place to live and invest.

Cutting the State Income Tax (House Bill 59 – 2013)

When he was on the campaign trail, Governor John Kasich made a promise to Ohio voters to cut Ohio's income tax. The Buckeye Institute knew it had a partner to take further steps to eliminate this tax that discouraged work, entrepreneurship, investment, and business expansion. Building on earlier success, The Buckeye Institute worked with the Kasich administration and lawmakers to shift Ohio's tax structure away from taxing income. Through meetings and in *legislative testimony*, Buckeye championed a lower, flatter, and simpler tax structure that would help Ohio compete for jobs, businesses, and talent. House Bill 59 enacted a 10 percent across-the-board reduction in the state's personal income tax, allowing Ohio families and businesses to keep more of what they earned. The bill represented another milestone in The Buckeye Institute's long-standing effort to lower taxes for Ohioans and strengthen the state's economy.



Starting to Fix a Broken Municipal Tax System (House Bill 5 – 2014)

Ohio's municipal tax system was repeatedly rated among the worst in the country, imposing needless costs on businesses, increasing the tax burden on Ohioans, and making the state less competitive. Furthermore, the state's patchwork of municipal income taxes operated with different rates, definitions, deadlines, requirements, and exemptions. The Buckeye Institute knew the system needed major reforms, and that started with the policies in House Bill 5. Buckeye **championed** a simplified, uniform tax collection system, **arguing** that Ohio's economy was being constrained by unnecessary red tape. Working alongside a broad coalition of businesses, CPAs, tax professionals, the Ohio Chamber of Commerce, the National Federation of Independent Business, and other stakeholders, The Buckeye Institute played a central role in shaping both the case for reform and the policy that ultimately became law.

As a result of The Buckeye Institute's work, House Bill 5 was signed into law, establishing a common municipal income tax code, standardized filing deadlines, and unified definitions, withholding rules, and other procedures across hundreds of municipalities. It also reduced or eliminated many of the requirements that affected employees performing temporary work across municipal boundaries. By replacing a fragmented system with a more predictable, streamlined framework, House Bill 5 significantly reduced employers' compliance costs and laid the groundwork for future municipal tax reform.

Cutting Edge Economic Modeling at the State Level (Economic Research Center – 2014)

In 2013, during a debate over Medicaid expansion in the state legislature, lawmakers sought rigorous metrics, long-term fiscal projections based on existing data, and dynamic economic modeling—including analyses that incorporated broader economic effects and downstream impacts. Robert Alt, who had become president and chief executive officer of The Buckeye Institute in 2012, recognized the need and established the Economic Research Center (ERC) at The Buckeye Institute, and recruited Rea S. Hederman Jr.—the founding director of the Center for Data Analysis, where he had led similar economic and econometric analyses and modeling of federal legislation—to lead Buckeye's new endeavor.

Through the ERC, The Buckeye Institute provides reliable independent research and custom dynamic economic modeling to help citizens and policymakers understand how policy decisions impact businesses, families, jobs, the economy, and state revenues. Using its custom dynamic scoring model, STELA (state tax and economic long-run analysis model), developed by economists at The Buckeye Institute, experts can demonstrate how



changes to government tax policy impact economic growth, job creation, consumer spending, business investment, and government revenues. Working in states across the country, The Buckeye Institute has published cutting-edge economic modeling that has saved taxpayers billions of dollars.

Stopping Crony Capitalism in Ohio's Energy Market (Senate Bill 310 – 2014)

In 2008, under then-Governor Ted Strickland, Ohio enacted Senate Bill 221, which imposed government mandates requiring utilities to source 25 percent of their energy from renewables. While this taxpayer-funded subsidy was a boon to solar and wind energy contractors, it was a bust for Ohioans. The Buckeye Institute recognized these mandates as a prime example of crony capitalism and urged lawmakers to beat them back whenever possible. In 2014, lawmakers heeded **Buckeye's call** and introduced Senate Bill 310 to cut government-imposed mandates to 12.5 percent and place a two-year pause on their implementation—the first step towards their eventual elimination. Working with lawmakers and through **legislative testimony**, The Buckeye Institute **demonstrated** that the renewable energy mandates reduced competition, increased consumer costs, and made Ohio's energy sector less efficient.

With the adoption of Senate Bill 310, the government-imposed mandates were paused for two years, giving lawmakers time to review the costs and Ohio's long-term energy strategy, and giving The Buckeye Institute a small win on the way to comprehensive free-market energy reform, something that would take place over the coming years.

Highlighting Government Waste & Potential Savings (Piglet Book – 2015)

Every two years, lawmakers must adopt a new biennial budget that accounts for most of Ohio's spending. To help guide policymakers as they debate the budget, The Buckeye Institute analyzes the governor's initial proposal to identify areas where legislators can save taxpayers money, implement pro-growth tax cuts, eliminate wasteful spending, close tax loopholes, and end corporate welfare. With billions in potential savings outlined, The *Piglet Book* has become a go-to resource for those wishing to cut government spending and save taxpayer money.

Strengthening Ohio's Workforce Pipeline (House Bill 3 – 2015)

Government red tape, regardless of how little there is, is a barrier to entrepreneurs starting new businesses and creating more jobs. To eliminate needless barriers, The Buckeye Institute worked with lawmakers to cut new business filing fees by more than 20 percent, **testifying** that it would bring Ohio in line with its neighboring states, making the Buckeye



State more competitive and attractive to people looking to open a new business. This change was critically important in a state where, according to the National Federation of Independent Business, small businesses represent 98.1 percent of all employers and 47.7 percent of private-sector jobs. The Buckeye Institute also urged lawmakers to expand the Buckeye-championed OhioMeansJobs website and allow all businesses in good standing in Ohio to fully access the site to post open job positions and search candidates' resumes. While The Buckeye Institute knew more aggressive reforms were necessary for long-term job growth, these small steps were necessary and in the right direction.

Buckeye-Recommendations Lead to Sweeping Tax Reform (House Bill 64 – 2015)

As Ohio lawmakers began deliberating the state's biennial budget, The Buckeye Institute released its influential report, *Tax Reform Principles for Ohio*, offering lawmakers four key free-market principles to guide them in drafting the best possible tax bill.

The Buckeye Institute worked with employers, tax professionals, and business organizations to develop recommendations for an optional centralized municipal tax filing system. In its **research** and in testimony before the **House Ways and Means** and **Senate Finance** committees, The Buckeye Institute advocated for broad-based income tax relief, simpler and more transparent tax policy, restraint in state spending, and reforms to Ohio's complex municipal income tax system. Buckeye also urged lawmakers to consolidate redundant state agencies and commissions, curb corporate welfare, close tax loopholes, and establish a more rigorous review of state spending to improve government efficiency. Many of these priorities were reflected in House Bill 64, including an expansion of Ohio's small-business income deduction, a 6.3 percent across-the-board reduction in the state personal income tax, and the creation of the Tax Policy Study Commission to examine long-term tax modernization.

Overall, House Bill 64 represented the culmination of years of sustained research, advocacy, and stakeholder engagement. The Buckeye Institute advanced a comprehensive vision for a stronger Ohio economy built on competitive tax rates, limited government, and a pro-growth business climate. The reforms delivered tax relief for working families and entrepreneurs while laying the foundation for the continued modernization of Ohio's tax system in the years that followed.

Removing Barriers to Promotion for Salon Workers (Senate Bill 213 – 2016)

The Buckeye Institute identified three stylists—Alisha, Ashleigh, and Courtney—who were struggling to advance in their careers. Under Ohio law at the time, they, and thousands of



other stylists across the state, were forced to pay thousands of dollars in tuition to be eligible for promotion to salon manager. Using Alisha, Ashleigh, and Courtney's personal stories, Buckeye launched its effort to eliminate the salon manager's license at a Statehouse press conference with supporters from both sides of the political aisle, including then State Representative Kristina Roegner, who was eager to become a champion of occupational licensing reform and would become a leader in eliminating unnecessary licenses. As the legislation moved through the General Assembly, Buckeye was instrumental in convening and leading stakeholder meetings with lawmakers, salon workers, and salon owners to maintain support for the reforms. Senate Bill 213 passed both the Ohio Senate and the Ohio House unanimously and was signed into law in June 2016. The Buckeye Institute's leadership was recognized with an invitation from the governor's office to participate in the bill signing ceremony. No longer would special-interest beauty schools have a say in who received promotions in salons in Ohio.

Cosmetologists aspiring to become store managers now have a more straightforward career path in Ohio thanks to the work of The Buckeye Institute. The Buckeye-championed Senate Bill 213 eliminated Ohio's mandatory salon manager license, thus alleviating an unnecessary burden on Ohioans seeking to advance in their careers. Before Buckeye's victory, cosmetologists had to undergo an additional 300 hours of training to obtain a government-issued salon-manager license on top of the 1,500 training hours they already spent to receive their cosmetology license. The manager's license wasn't about public safety or cosmetology competence. It was a way to add 300 hours of training, allowing private cosmetology schools to generate an extra \$1,925 in federal aid per student for their multimillion-dollar businesses. By eliminating this unnecessary license, The Buckeye Institute helped cosmetologists—whose average hourly wage in 2016 was \$12.16—save tens of thousands of dollars to earn a promotion and a raise.

Further Reductions in the Personal Income Tax and Simplifying Business Operations (House Bill 49 – 2017)

As lawmakers began crafting Ohio's 2017 operating budget, The Buckeye Institute once again focused on moving Ohio toward a simpler, more competitive tax system. Buckeye published its renowned *Piglet Book*, met with legislators and other officials, and advanced its recommendations through **legislative testimony** and **other writings**. Rather than allowing budget pressures to justify higher taxes, Buckeye championed a pro-growth agenda that strengthened incentives for investment, work, and job creation.



Although House Bill 49 fell short of the broader reforms needed to improve Ohio's long-term fiscal outlook, Buckeye supported several provisions incorporated into the final budget. The legislation preserved Ohio's prior income tax reforms, blocked several proposed tax increases, and included additional municipal income tax reforms that allowed businesses to file a single municipal tax return without shifting administrative fees onto taxpayers. Buckeye also welcomed provisions strengthening legislative oversight of Controlling Board spending and steps toward reducing unnecessary occupational licensing barriers. While the Institute continued to advocate for deeper spending restraint and broader tax reform throughout the budget process, these measures represented meaningful progress toward a more competitive business climate and a simpler regulatory environment.

Giving Workers the Ability to Choose (Workers Choose Campaign & Legal Effort – 2018)

On June 27, 2018, the U.S. Supreme Court recognized the right of public employees to choose whether to financially support their union based upon the freedom of speech protected by the First Amendment of the U.S. Constitution.

The court's landmark *Janus v. AFSCME* **decision** provided good news for all teachers and other public employees who wished to maintain their membership while allowing those who believe that their unions do not meet their personal needs to stop paying compulsory fees to unions. Immediately following the *Janus* decision, The Buckeye Institute launched its Workers Choose campaign to equip public employees in Ohio with the tools they need to exercise their newly recognized First Amendment rights.

In addition to the Workers Choose campaign, The Buckeye Institute began representing clients facing union opposition to ending dues deductions after they left the union. While the unions have settled several cases, many continue to work their way through the courts.

Giving Lawmakers the Tools to Cut Occupational Licenses (Senate Bill 255 – 2019)

Recognizing that the most effective reforms are often highly technical and unsexy, The Buckeye Institute set about dismantling Ohio's oppressive occupational licensing regime. Working with other experts in the field of licensing reform, including Americans for Prosperity, the Institute for Justice, and the American Legislative Exchange Council, Buckeye developed a proposal that could both slow the creation of new licenses (a sunrise provision) as well as a mandate to review and potentially eliminate existing regulations (a sunset provision). The Buckeye Institute-inspired Senate Bill 255 accomplished those goals by requiring government agencies to adopt the least restrictive regulation when



addressing real and definable public safety concerns (the sunrise) and requiring all licensing boards to be renewed at least once every six years, or they automatically expire (the sunset). To ensure more exciting issues didn't overlook this critical but wonky and highly technical reform, Buckeye successfully recruited key legislators—including the eventual committee chair overseeing licensing renewals—who had the influence to act as lead sponsors and drafters of the legislation. Buckeye then leveraged its relationships with national experts to engage them in the process. Buckeye led national coalition calls, linked national experts with Ohio lawmakers to outline the importance of these reforms, and brought in experts to testify about them. Senate Bill 255 was passed by the Ohio General Assembly in December 2018 and was signed into law in January 2019.

Powerful, entrenched interests prospered from a restrictive occupational licensing regime in Ohio for decades. This dysfunctional form of crony capitalism narrowly benefited the well-connected while disadvantaging people seeking to start new professions or become eligible for promotions. The Buckeye Institute recognized the injustice and worked to combat this unfair system. Under the Buckeye-inspired Senate Bill 255, Ohio codified that the state will 1) seek the least restrictive regulation when it comes to promoting real and definable public safety concerns; 2) require all licensing boards to be renewed at least once every six years, or they automatically expire; and 3) require all new licensing legislation to be reviewed to ensure it meets the least restrictive regulation law. Buckeye's work made Ohio a **national leader** in occupational licensing reform and made it harder for the government to erect needless roadblocks to Ohioans' efforts to start new careers.

Creating New Incentives to Invest in Ohio (House Bill 166 – 2019)

As Ohio lawmakers turned their attention to the biennial budget, The Buckeye Institute outlined several principles to guide the General Assembly's work. In ***Sustaining Economic Growth: Tax and Budget Principles for Ohio***, The Buckeye Institute urged lawmakers to pair continued tax reform with spending restraint, eliminate special-interest tax loopholes, reduce unnecessary regulation, and preserve opportunities for future across-the-board tax relief. Through testimony to the Ohio **House** and **Senate** finance committees and recommendations to the budget conference committee, Buckeye continued to advocate policies designed to strengthen Ohio's long-term economic competitiveness.

House Bill 166 included an across-the-board personal income tax reduction and adopted significant regulatory reforms to reduce unnecessary administrative burdens on businesses. The legislation also eliminated several targeted tax preferences, including the



motion picture tax credit and the NetJets sales tax cap, reflecting Buckeye's longstanding support for broad-based tax relief over special-interest tax loopholes.

Removing Barriers to Employment for Military Spouses (Senate Bill 7 – 2020)

With previous significant wins under its belt, The Buckeye Institute's next campaign was to exempt a whole group of people from needless occupational license requirements. Under Ohio law at the time, spouses of our military forces were required to meet all Ohio licensing requirements—including returning to school if need be—to obtain an Ohio license for a job they were already licensed for in another state. This ludicrous requirement was particularly noxious for military spouses, given the federal government controlled where they lived and when they had to move—typically at least once every three years. Buckeye outlined the need for reform in its report, *Increasing Job Opportunities for Military Families*, and approached the then-speaker of the Ohio House, himself a veteran, to enact the reforms. With the speaker's support, Buckeye turned its attention to identifying champions—military spouses forced to jump through Ohio's hoops to restart their careers after the Department of Defense transferred their spouse to an Ohio base. **Brianna McKinnon**, a special-education teacher and military spouse, and Melonia Lillie, a registered nurse and military spouse and veteran, became the face of Buckeye's effort to change this needless policy that did nothing to ensure public safety or health. Through a series of published opinion pieces, blogs, interviews, and testimony before the Ohio General Assembly, McKinnon and Lillie told the story of thousands of military spouses. Buckeye also enlisted the help and support of leaders of the Ohio National Guard and veterans' groups. Senate Bill 7 was unanimously passed by both chambers of the Ohio General Assembly in December 2019.



The Buckeye Institute's tireless efforts to increase job opportunities for Ohio's military families culminated in the passage of Senate Bill 7, which Ohio Governor Mike DeWine signed into law at a ceremony at Wright-Patterson Air Force Base on Monday that Buckeye's president and CEO, Robert Alt, was invited to attend. Also joining the governor that day was Buckeye's champion, Brianna McKinnon. Senate Bill 7 grants spouses of active-duty military members relocated to Ohio reciprocity for their valid out-of-state occupational licenses, allowing them to continue working in their chosen profession. This commonsense reform is based on The Buckeye Institute's recommendations to remove unnecessary barriers and burdens on military families, as stated in Buckeye's landmark 2016 policy paper, *Increasing Job Opportunities for Military Families*. Senate Bill 7 is a victory for military spouses like Brianna McKinnon and Melonia Lillie.

Eliminating Regulations on Small Businesses During the Pandemic (House Bill 669 – 2020)

As the COVID-19 pandemic hit Ohio, The Buckeye Institute recognized that government shutdown orders would ravage small businesses. To ensure these businesses, vital to Ohio's economy, could withstand the pandemic, Buckeye outlined immediate actions policymakers could take to support Ohio's workers, small businesses, and the economy in



its **Policy Solutions for the Pandemic** series. Ohio's shutdown orders prohibited in-person service at all restaurants and bars. To survive this draconian order, many restaurants and bars turned to carryout service to keep their businesses afloat and workers employed. But in Ohio, it was illegal for restaurants and bars to sell alcohol to customers for carryout—even if it was unopened. Working alongside the Ohio Restaurant Association, The Buckeye Institute urged lawmakers to lift this prohibition, making it easier for restaurants and bars to serve customers during the pandemic. Buckeye also successfully eliminated the regulations and permits once required for outdoor seating, enabling hundreds of restaurants to reopen for in-person service. House Bill 669 passed the Ohio Senate and Ohio House by near-unanimous votes and was signed into law, going into effect immediately. Buckeye's blueprint was critical in providing lawmakers with a path to help businesses and workers during the pandemic.

The Buckeye-championed policies in House Bill 669 permanently allowed restaurants and bars to offer alcohol on their carryout and delivery menus, lifting unnecessary regulations that offered a lifeline to restaurant and bar owners and their employees. The consistent revenue stream provided by these regulatory changes enabled many small businesses to keep their doors open and people employed during the economic crisis resulting from the pandemic.

Revitalizing the Economy Post-Pandemic (House Bill 110 – 2021)

Since the earliest days of the pandemic, The Buckeye Institute **outlined immediate actions** Ohio policymakers could take to ensure Ohio was ready to fight and recover, with several recommendations aimed at supporting Ohio's workers, small businesses, and the economy. With budget season looming, The Buckeye Institute released ***Weathering the Storm: Budgeting for Prosperity in a Time of Crisis***, offering lawmakers a roadmap to a budget that balanced constrained government revenues, higher spending on core government services, and a pro-growth tax code that promoted prosperity for all Ohioans. Throughout the budget season, The Buckeye Institute **urged** state lawmakers to **accelerate policies** that would strengthen Ohio's economy and long-term competitiveness and **called them out** when they failed to do so. While overall spending **remained high**, the tax reforms included in House Bill 166 included a three percent across-the-board tax cut and a simplification of the tax code by reducing the number of tax brackets. Policies that would make Ohio more economically competitive, spur the state's economic recovery, and save Ohio taxpayers more than \$1.6 billion.



Ending Needless Occupational License Requirements (House Bill 442 – 2021)

A requirement of the Buckeye Institute-inspired Senate Bill 255 was for lawmakers to review all licensing boards at least once every six years. If a licensing board were not reviewed and renewed by the General Assembly, it would automatically expire, as would all its job licensing requirements. House Bill 442 was the first legislative review of nearly one-third of Ohio's occupational licensing boards. As part of the review process, The Buckeye Institute drafted a key report, *Opening Doors: Occupational Licensing Reform in Ohio After Senate Bill 255*, outlining recommendations on the licenses to be reviewed. Recognized as a leading expert in the area of occupational licensing reform, Buckeye's recommendations informed many of the decisions lawmakers made. As the review process played out in committee hearings, it soon became apparent that every licensing board thought that its licenses and all of the licenses it issued were critical to public health and safety. Once again, lawmakers looked to Buckeye to help them devise a questionnaire that would provide hard data to determine whether a license was essential or just a way to take money out of Ohioans' pockets. Buckeye's recommendation to have a comprehensive comparative analysis of Ohio's licensing requirements was also adopted. This analysis provides lawmakers with a complete picture of how Ohio's requirements compare with those of other states, particularly Ohio's neighbors, a critical data point when determining whether a license is necessary or overly burdensome. House Bill 442 passed both chambers with overwhelming support, significantly reducing the occupational licensing burden on Ohioans.

The legislature adopted many of The Buckeye Institute's recommendations, eliminating five licenses and reducing training hour requirements for another 11 licenses. The changes saved Ohioans hundreds, if not thousands, of dollars and countless hours in training.

Stopping the Growth of Government Regulations (Senate Bill 9 – 2022)

For years, The Buckeye Institute had a strong ally in regulatory reform, Senate President Larry Obhof. That didn't make the effort to cut Ohio's overall regulatory burden any easier, but it did mean Buckeye was working alongside one of Capitol Square's most influential policymakers. Starting in 2018, The Buckeye Institute partnered with the Mercatus Center to **highlight** the number of restrictions imposed on Ohio businesses. Mercatus found that Ohio is one of the most heavily regulated states, with nearly 247,000 restrictions set in law. Armed with this data, Senator Obhof, with the assistance of Buckeye, went to work to highlight Ohio's regulatory burden and its impact on business owners and Ohio's economy. The campaign was launched at a Statehouse press conference called by the Senate President and featuring Buckeye's president and CEO, Robert Alt. The press



conference was followed by the introduction of Senate Bill 293 during the 132nd General Assembly. As happens too often, powerful special interests did all they could to delay and derail these essential reforms. Still, Buckeye and Senator Obhof did not abandon the effort. They were back in the 134th General Assembly with Senate Bill 9, which would require government agencies to reduce regulatory restrictions by 30 percent by 2025 and, if agencies could not meet that requirement, prohibited them from adding new restrictions without removing two. Senate Bill 9 passed both chambers of the General Assembly in March 2022 with overwhelming support and was signed into law that same month.



The Buckeye-championed reforms in Senate Bill 9 cut unnecessary regulations, restrictions, and red tape that strangle Ohio's economy, entrepreneurs, and workforce. Under the bill, Ohio 1) created an inventory of agency regulations to give policymakers a clearer picture of the amount of bureaucratic red tape Ohioans face; 2) capped regulatory restrictions to force the state to prioritize any proposed restrictions more carefully; 3) prohibited state agencies from adding new restrictions without removing two; 4) required state agencies to reduce regulatory restrictions by 30 percent by 2025; and 5) launched an online portal—**Cut Red Tape Ohio**—to give businesses easier access to information about new rules and restrictions. The Buckeye-championed bill also inspired the



DeWine/Husted administration to implement a **plan** to cut one-third of Ohio's Administrative Code by targeting duplicative provisions, outdated sections, and unnecessary requirements. These policies were another successful addition to Buckeye's regulatory reform effort.

Creating a Pro-Growth Regulatory Environment for Fintech (Senate Bill 249 – 2022)

Ohio is home to many national banks and financial institutions. Still, it risked losing these employers to other states that created environments where these companies could develop and deploy new products and services to customers. The Buckeye Institute knew the solution to this problem was to build a fintech regulatory sandbox. Buckeye outlined how this innovative regulatory tool would work and benefit Ohio in ***Policy Solutions for More Innovation: Build a Regulatory Sandbox for Financial Technology Innovators*** and partnered with Senator Steve Wilson, who sponsored legislation that included many recommendations from Buckeye's report. Buckeye also made a case for a fintech sandbox in numerous opinion pieces that explained how the new policy would make Ohio's regulatory process less daunting, less expensive, and more transparent for financial technology employers looking to expand or relocate to Ohio. Senate Bill 249 passed the Ohio Senate and the Ohio House unanimously in November 2021 and was signed into law in December.

As The Buckeye Institute called for in ***Policy Solutions for More Innovation: Build a Regulatory Sandbox for Financial Technology Innovators***, Ohio is constructing a regulatory sandbox that cuts red tape that often keeps innovative technologies from reaching users while protecting consumers from potentially harmful new products. This controlled, regulatory, and consumer-centric environment allows approved firms to experiment with new technology for a limited time. It makes it easier and more affordable for fintech firms to test new products and services, thus making Ohio a more inviting place for financial technology companies to move to or expand in.

Adopting Universal Occupational License Recognition (Senate Bill 131 – 2023)

For years, The Buckeye Institute was focused on passing reforms to cut the occupational licensing burden on Ohioans—**coordinating press conferences** and meetings and calls with stakeholders and lawmakers, speaking at conferences, conducting research, and developing **infographics** and **other materials**—all to prove success and parlay that success into further reforms to benefit Ohioans. Over that time, Buckeye built an impressive body of research demonstrating the negative impacts of occupational licensing on employment and job growth. ***Forbidden to Succeed: How Licensure Laws Hold Ohioans Back, Still***



Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce, and *Universal Licensing Reciprocity: How to Welcome Workers to Ohio* formed the backbone of Buckeye's research. In 2023, it was time to go for the gold and pass universal occupational license recognition. The Buckeye Institute reactivated its national coalition of occupational license reform leaders and identified influential lawmakers who could deliver on this critical issue, most notably Senator Kristina Roegner, who, as a member of the Ohio House, Buckeye identified as a champion of licensing reform nearly a decade prior. Senator Rob McColley, an early Buckeye partner on occupational licensing reform who was now in Senate leadership, joined the effort as a co-sponsor of the legislation. Working with Americans for Prosperity, the Goldwater Institute, and Institute for Justice, Buckeye led coalition calls to coordinate messaging, testimony, meetings, and calls to members to educate them on how this policy would benefit Ohio, and Buckeye engaged the DeWine administration, which had made comprehensive occupational licensing reform a part of its campaign platform in 2018. In addition to research, opinion pieces, blogs, and testimony, Buckeye organized two open letters to members in **2020** and **2022**, encouraging them to adopt universal occupational license recognition and make it easier for licensed workers in every profession to move to the Buckeye State, where they can earn a living in their chosen careers. Senate Bill 131 was unanimously passed by the Ohio Senate and the Ohio House with only three no votes. It was signed into law in January 2023.





Taking its place among the nation's leaders in occupational licensing reform, Ohio adopted The Buckeye Institute-championed universal occupational license recognition, which allows new and prospective Ohioans to live out their dreams in the Buckeye State and fuels the economic growth Ohio desperately needs. Under Senate Bill 131, people with an occupational license from another state can move to Ohio and immediately return to work. These policies ease worker shortages and encourage skilled workers to pursue their careers and professions in the Buckeye State—an integral component to modernizing Ohio's outdated economic system.

Push For Comprehensive Tax Reforms Sets Stage for 2025 Victory (House Bill 33 – 2023)

Once again, The Buckeye Institute opened the budget season by outlining budget priorities that the General Assembly should adopt to make Ohio a more attractive place to live, work, and start or relocate a business. In *Budget Priorities for a More Prosperous Ohio*, The Buckeye Institute called on lawmakers to cut income taxes further, eliminate the commercial activity tax, and fix Ohio's broken municipal tax system, all ambitious goals.

As budget season progressed, The Buckeye Institute saw an opportunity to achieve one of its long-time goals, a flat income tax. Leading a coalition of pro-small government organizations, The Buckeye sent a **letter** to lawmakers calling on them to pass “legislation that reduces the state income tax to a single flat rate and reduces revenue on net, returning hard-earned taxpayer dollars to families and small businesses.” And in *How Ohio Can Join the Flat-Tax Revolution*, Buckeye provided lawmakers with a road map to implement this pro-growth policy successfully and—using STELA (Buckeye's dynamic economic scoring model)—demonstrated that a flat tax would result in a \$2.5 billion boost to the economy, thousands of new jobs, and \$800 million in increased investment. While a victory on the flat tax was two years away, The Buckeye Institute's work resulted in reforms that collapsed the bottom two tax brackets into a single 2.75 percent bracket and the top two brackets into a single 3.5 percent bracket. To lower the tax burden on businesses, the General Assembly raised the sales threshold businesses had to meet before being hit with the commercial activity tax to \$6 million. As a result, thousands of small businesses across Ohio are no longer burdened by this unfair and uncompetitive tax.



Removing Antiquated and Redundant Regulations from Ohio's Administrative Code (House Bill 33 – 2023)

Ohio's Administrative Code contains numerous antiquated or redundant rules that are overdue for removal—many require people to print government forms, fill them out, and submit them to the government via snail mail. These inefficient 20th-century procedures are needlessly costing 21st-century taxpayers millions. Partnering with the DeWine/Husted administration and Ohio's leading business associations, The Buckeye Institute pushed to **Innovate the Code** and eliminate and streamline these outdated requirements. Initially proposed in **House Bill 76**, The Buckeye Institute **testified** that “the bill's commonsense changes could save taxpayers an estimated \$44 million and 58,000 hours of state employee labor.” Throughout the legislative session, Buckeye **highlighted** the policy's benefits and urged its adoption. The policy was in Ohio's budget and **signed** into law in July 2023.

Often, seemingly small changes in government regulations have a notable impact on people's lives. Such is the case with the Innovate the Code changes. By updating antiquated or redundant rules and regulations, the state government will shift from a 20th-century approach to doing business and join the 21st century. While further improvements are needed, this change will save taxpayers an **estimated** \$44 million and 58,000 hours of state employee labor.

Cutting and Reducing Needless Occupational License Requirements (House Bill 509 – 2023)

As with House Bill 442, House Bill 509 undertook a review of nearly one-third of Ohio's licensing boards as required by the Buckeye Institute-inspired Senate Bill 255, which states that if a licensing board is not reviewed and renewed by the General Assembly, it will automatically expire, as will all its job licensing requirements. As part of this review process, The Buckeye Institute outlined its recommendations in **Opening Doors II: Occupational Licensing Reform in Ohio After Senate Bill 255** and shared them with the committee chair and other key legislators. Known for its honest and reliable assessment, Buckeye's recommendations on licenses that could be eliminated or reduced were included in the final legislation, and once again, Buckeye's questionnaire, which was given to licensing boards, provided lawmakers with hard data they could use to determine whether a license was necessary. In fact, Buckeye's reputation in this space has led many government licensing boards to attempt to lobby Buckeye on the value of its services. Unswayed by anything but good, effective policy, Buckeye continues to call for the



elimination of unnecessary licenses. House Bill 509 passed the Ohio House and Ohio Senate with only three no votes and was signed into law in January 2023.

In this review of Ohio's occupational licenses, the legislature eliminated 14 licenses and reduced training hour requirements for another 25 licenses. Buckeye made these recommendations in its brief, *Opening Doors II: Occupational Licensing Reform in Ohio After Senate Bill 255*, and, as with House Bill 442, the changes saved Ohioans hundreds, if not thousands, of dollars and countless hours of training.

Continuing to Cut and Reduce Needless Occupational License Requirements (House Bill 238 – 2024)

House Bill 238 represented the third review of Ohio's occupational licenses under the Buckeye-inspired Senate Bill 255, which requires all licensing boards to be renewed at least once every six years, or they will automatically expire. Echoing numerous recommendations from The Buckeye Institute's *Opening Doors III*, the General Assembly eliminated 19 licenses and reduced the burdens of another 18. One especially important reform was the elimination of the requirement that individuals aspiring to be real estate brokers must have a college degree. The bill passed both chambers overwhelmingly, and The Buckeye Institute's invaluable work was recognized with an invitation from Governor DeWine to join him at the bill's signing.



Ohio Gets Closer to Cutting Regulations by 30 Percent (**Senate Bill 9** – 2024)

The Buckeye-championed reforms in Senate Bill 9 cut unnecessary regulations, restrictions, and red tape that strangle Ohio's economy, entrepreneurs, and workforce. As outlined in *Making the Grade*, 23 out of 27 state agencies met the Senate Bill 9 interim requirement to cut the regulations they impose on Ohioans by at least 20 percent, with the ultimate goal of cutting regulations by 30 percent by the end of 2025. Thirteen state agencies have already completed or exceeded the 30 percent requirement. While Senate Bill 9 is cutting regulations, The Buckeye Institute is working on additional reforms, including detailed state-by-state comparisons of regulatory burden, to pave the way for eliminating more regulations than those established in Senate Bill 9.

Ohio Joins the Flat Tax Revolution (**House Bill 96** – 2025)

As the year opened, The Buckeye Institute offered lawmakers several forward-looking policies to lay the foundation for sustainable, long-term prosperity. In ***Building a Responsible, Pro-Growth Budget***, The Buckeye Institute called on members to embrace fiscal discipline, pursue pro-growth tax policies, reform outdated local government systems, fulfill the school choice promise, and align higher education with the 21st-century



needs of employers. It was also apparent that after a significant move toward a flat tax in 2023, 2025 was the year to fully implement a 2.75 percent flat income tax in Ohio. While the Ohio House retained the 2023 reforms in House Bill 96, it disappointingly didn't go further. So, The Buckeye Institute redoubled its efforts when House Bill 96 moved to the Ohio Senate. When the budget emerged from the Ohio Senate, it included a flat 2.75 percent income tax rate, the second-lowest rate in the nation, just as The Buckeye Institute had **called for** in 2023. This Buckeye Institute-championed reform placed Ohio among a growing number of states that modernized their tax codes to prioritize economic competitiveness. The Buckeye Institute celebrated this victory in *National Review*, writing, "Ohio may be just the latest to jump on the bandwagon, but there are still plenty of seats available."

Adopting the Best-In-The-Nation Energy Reforms (House Bill 15 – 2025)

Government regulations and taxpayer-funded subsidies had rewarded inefficiencies, hampered competition, and driven up energy prices in Ohio for too long. The Buckeye Institute knew Ohioans deserved a better, smarter, more principled energy policy that reduced bureaucratic red tape and helped ensure a healthy supply of affordable, reliable energy. It set out to reform Ohio energy policy to achieve those goals. Partnering with Americans for Prosperity-Ohio, Buckeye published *Better Energy Policy for Ohio*, calling for lawmakers to end taxpayer-funded government subsidies, focus on energy reliability and affordability, speed up Ohio's permitting process, and promote transparency and competition. The result was Ohio House Bill 15, the nation's best set of energy policy reforms, designed to ensure Ohio could meet growing energy demands. By scrapping wasteful subsidies and unleashing the private sector, Ohio saw more than \$4 billion in private investment in projects generating nearly 2,000 MW of energy in the months after House Bill 15 was adopted. The Buckeye Institute work was recognized nationally by State Policy Network, where Buckeye was a finalist for SPN's prestigious **Bob Williams Award for Outstanding Policy Achievement** in the "Biggest Win for Freedom" category, and by Atlas Network as a finalist for its prestigious **Templeton Freedom Award**.

Making Ohio a National Energy Leader (Senate Bill 103 – 2025)

Building on the success of House Bill 15, The Buckeye Institute turned its attention to reforms in Ohio's natural gas industry. Delays in approving natural gas projects were undermining Ohio's economic and technological growth. To remain competitive and spur economic development, Ohio needed to attract new technology and industrial investments, and the state's natural gas industry was key to Ohio's success. The Buckeye Institute urged lawmakers in the **Senate** and the **House** to meet rising energy demand



without sacrificing consumer protections. Paired with House Bill 15, Senate Bill 103 anticipates Ohio's dynamic energy future by providing greater flexibility in pricing structures, improved regulatory efficiency, and support for continued investment in Ohio's energy infrastructure and industrial base.



How The Buckeye Institute Helped Ohio Regain Its Role as an Economic Powerhouse

A CASE STUDY: FUTURE OPPORTUNITIES

With notable Buckeye Institute-championed policies in place, Ohio has shaken off its declining Rust Belt image, and the state's struggling economy has started to rebound, but more work remains. The Buckeye Institute is now focused on responsibly eliminating the state income tax to keep Ohio's economy growing; addressing Ohio's broken local government structure and income tax system to spur future economic prosperity; building a 21st century workforce that is ready to fill in-demand jobs to attract more employers of high-paying jobs; and cutting unnecessary regulations and streamlining state and local regulations to encourage businesses to expand and relocate to the Buckeye State.



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