

As Introduced

**136th General Assembly
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H. B. No. 129

Representative Thomas, D.

**Cosponsors: Representatives Dean, Fischer, Gross, Hall, T., Johnson, Peterson,
Williams, Workman**

A BILL

To amend sections 319.301 and 5705.314 of the 1
Revised Code to limit the ability of school 2
districts to reallocate unvoted property tax 3
millage and to include certain property and 4
school district income taxes in the calculation 5
of a school district's effective millage floor. 6

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

Section 1. That sections 319.301 and 5705.314 of the 7
Revised Code be amended to read as follows: 8

Sec. 319.301. (A) The reductions required by division (D) 9
of this section do not apply to any of the following: 10

(1) Taxes levied at whatever rate is required to produce a 11
specified amount of tax money, including a tax levied under 12
section 5705.199 or 5748.09 of the Revised Code, or an amount to 13
pay debt charges; 14

(2) Taxes levied within the one per cent limitation 15
imposed by Section 2 of Article XII, Ohio Constitution; 16

(3) Taxes provided for by the charter of a municipal corporation.	17 18
(B) As used in this section:	19
(1) "Real property" includes real property owned by a railroad.	20 21
(2) "Carryover property" means all real property on the current year's tax list except:	22 23
(a) Land and improvements that were not taxed by the district in both the preceding year and the current year;	24 25
(b) Land and improvements that were not in the same class in both the preceding year and the current year.	26 27
(3) "Effective tax rate" means with respect to each class of property:	28 29
(a) The sum of the total taxes that would have been charged and payable for current expenses against real property in that class if each of the district's taxes were reduced for the current year under division (D) (1) of this section without regard to the application of division (E) (3) of this section divided by	30 31 32 33 34 35
(b) The taxable value of all real property in that class.	36
(4) "Taxes charged and payable" means the taxes charged and payable prior to any reduction required by section 319.302 of the Revised Code.	37 38 39
(C) The tax commissioner shall make the determinations required by this section each year, without regard to whether a taxing district has territory in a county to which section 5715.24 of the Revised Code applies for that year. Separate	40 41 42 43

determinations shall be made for each of the two classes 44
established pursuant to section 5713.041 of the Revised Code. 45

(D) With respect to each tax authorized to be levied by 46
each taxing district, the tax commissioner, annually, shall do 47
both of the following: 48

(1) Determine by what percentage, if any, the sums levied 49
by such tax against the carryover property in each class would 50
have to be reduced for the tax to levy the same number of 51
dollars against such property in that class in the current year 52
as were charged against such property by such tax in the 53
preceding year subsequent to the reduction made under this 54
section but before the reduction made under section 319.302 of 55
the Revised Code. In the case of a tax levied for the first time 56
that is not a renewal of an existing tax, the commissioner shall 57
determine by what percentage the sums that would otherwise be 58
levied by such tax against carryover property in each class 59
would have to be reduced to equal the amount that would have 60
been levied if the full rate thereof had been imposed against 61
the total taxable value of such property in the preceding tax 62
year. A tax or portion of a tax that is designated a replacement 63
levy under section 5705.192 of the Revised Code is not a renewal 64
of an existing tax for purposes of this division. 65

(2) Certify each percentage determined in division (D) (1) 66
of this section, as adjusted under division (E) of this section, 67
and the class of property to which that percentage applies to 68
the auditor of each county in which the district has territory. 69
The auditor, after complying with section 319.30 of the Revised 70
Code, shall reduce the sum to be levied by such tax against each 71
parcel of real property in the district by the percentage so 72
certified for its class. Certification shall be made by the 73

first day of September except in the case of a tax levied for 74
the first time, in which case certification shall be made within 75
fifteen days of the date the county auditor submits the 76
information necessary to make the required determination. 77

(E) (1) As used in division ~~(E) (2)~~ (E) of this section, ~~—~~ 78
~~"pre-1982":~~ 79

(a) "Pre-1982 joint vocational taxes" means, with respect 80
to a class of property, the difference between the following 81
amounts: 82

~~(a)~~ (i) The taxes charged and payable in tax year 1981 83
against the property in that class for the current expenses of 84
the joint vocational school district of which the school 85
district is a part after making all reductions under this 86
section; 87

~~(b)~~ (ii) Two-tenths of one per cent of the taxable value 88
of all real property in that class. 89

If the amount in division ~~(E) (1) (b)~~ (E) (1) (a) (ii) of this 90
section exceeds the amount in division ~~(E) (1) (a)~~ (E) (1) (a) (i) of 91
this section, the pre-1982 joint vocational taxes shall be zero. 92

~~As used in divisions (E) (2) and (3) of this section, —~~ 93
~~"taxes charged and payable" has the same meaning as in division —~~ 94
~~(E) (4) of this section and excludes any tax charged and payable —~~ 95
~~in 1985 or thereafter under sections 5705.194 to 5705.197 or —~~ 96
~~section 5705.199, 5705.213, 5705.219, or 5748.09 of the Revised —~~ 97
Code (b) "Current expense school district income tax" means a 98
school district income tax, as defined in section 5748.01 of the 99
Revised Code, levied for the current expenses of a school 100
district. 101

(c) "Qualifying taxes charged and payable" means the sum 102

<u>of the following:</u>	103
<u>(i) For real property taxes, the taxes charged and payable</u>	104
<u>for current expenses, including any real property tax charged</u>	105
<u>and payable under sections 5705.194 to 5705.197 or section</u>	106
<u>5705.199, 5705.213, 5705.219, or 5748.09 of the Revised Code;</u>	107
<u>(ii) For current expense school district income taxes, the</u>	108
<u>property tax equivalent rate computed for the school district</u>	109
<u>under division (E) (4) of this section.</u>	110
(2) If in the case of a school district other than a joint	111
vocational or cooperative education school district any	112
percentage required to be used in division (D) (2) of this	113
section for either class of property could cause the total	114
<u>qualifying taxes</u> charged and payable for current expenses to be	115
less than two per cent of the taxable value of all real property	116
in that class that is subject to taxation by the district, the	117
commissioner shall determine what percentages would cause the	118
district's total <u>qualifying taxes</u> charged and payable for	119
current expenses against that class, after all reductions that	120
would otherwise be made under this section, to equal, when	121
combined with the pre-1982 joint vocational taxes against that	122
class, the lesser of the following:	123
(a) The sum of the rates at which those taxes are	124
authorized to be levied, <u>including the property tax equivalent</u>	125
<u>rate calculated with respect to any current expense school</u>	126
<u>district income tax;</u>	127
(b) Two per cent of the taxable value of the property in	128
that class. The auditor shall use such percentages in making the	129
reduction required by this section for that class.	130
(3) If in the case of a joint vocational school district	131

any percentage required to be used in division (D) (2) of this 132
section for either class of property could cause the ~~total~~ 133
qualifying taxes charged and payable ~~for current expenses~~ for 134
that class to be less than two-tenths of one per cent of the 135
taxable value of that class, the commissioner shall determine 136
what percentages would cause the district's ~~total~~ qualifying 137
taxes charged and payable ~~for current expenses~~ for that class, 138
after all reductions that would otherwise be made under this 139
section, to equal that amount. The auditor shall use such 140
percentages in making the reductions required by this section 141
for that class. 142

(4) Each year, on or before the first day of September, 143
the tax commissioner shall compute a property tax equivalent 144
rate for each school district that levies a current expense 145
school district income tax, as follows: 146

(a) Multiply one mill times the total taxable value of the 147
district as determined in divisions (A) (1) and (2) of section 148
3317.021 of the Revised Code; 149

(b) Estimate the total amount of tax liability for the 150
current tax year under the current expense school district 151
income tax; 152

(c) Divide the amount estimated under division (E) (4) (b) 153
of this section by the product obtained under division (E) (4) (a) 154
of this section. 155

(F) No reduction shall be made under this section in the 156
rate at which any tax is levied. 157

(G) The commissioner may order a county auditor to furnish 158
any information the commissioner needs to make the 159
determinations required under division (D) or (E) of this 160

section, and the auditor shall supply the information in the 161
form and by the date specified in the order. If the auditor 162
fails to comply with an order issued under this division, except 163
for good cause as determined by the commissioner, the 164
commissioner shall withhold from such county or taxing district 165
therein fifty per cent of state revenues to local governments 166
pursuant to section 5747.50 of the Revised Code or shall direct 167
the department of education and workforce to withhold therefrom 168
fifty per cent of state revenues to school districts pursuant to 169
Chapter 3317. of the Revised Code. The commissioner shall 170
withhold the distribution of such revenues until the county 171
auditor has complied with this division, and the department 172
shall withhold the distribution of such revenues until the 173
commissioner has notified the department that the county auditor 174
has complied with this division. 175

(H) If the commissioner is unable to certify a tax 176
reduction factor for either class of property in a taxing 177
district located in more than one county by the last day of 178
November because information required under division (G) of this 179
section is unavailable, the commissioner may compute and certify 180
an estimated tax reduction factor for that district for that 181
class. The estimated factor shall be based upon an estimate of 182
the unavailable information. Upon receipt of the actual 183
information for a taxing district that received an estimated tax 184
reduction factor, the commissioner shall compute the actual tax 185
reduction factor and use that factor to compute the taxes that 186
should have been charged and payable against each parcel of 187
property for the year for which the estimated reduction factor 188
was used. The amount by which the estimated factor resulted in 189
an overpayment or underpayment in taxes on any parcel shall be 190
added to or subtracted from the amount due on that parcel in the 191

ensuing tax year. 192

A percentage or a tax reduction factor determined or 193
computed by the commissioner under this section shall be used 194
solely for the purpose of reducing the sums to be levied by the 195
tax to which it applies for the year for which it was determined 196
or computed. It shall not be used in making any tax computations 197
for any ensuing tax year. 198

(I) In making the determinations under division (D)(1) of 199
this section, the tax commissioner shall take account of changes 200
in the taxable value of carryover property resulting from 201
complaints filed under section 5715.19 of the Revised Code for 202
determinations made for the tax year in which such changes are 203
reported to the commissioner. Such changes shall be reported to 204
the commissioner on the first abstract of real property filed 205
with the commissioner under section 5715.23 of the Revised Code 206
following the date on which the complaint is finally determined 207
by the board of revision or by a court or other authority with 208
jurisdiction on appeal. The tax commissioner shall account for 209
such changes in making the determinations only for the tax year 210
in which the change in valuation is reported. Such a valuation 211
change shall not be used to recompute the percentages determined 212
under division (D)(1) of this section for any prior tax year. 213

Sec. 5705.314. ~~If the~~ The board of education of a city, 214
local, ~~or~~ exempted village, or joint vocational school district 215
~~proposes to~~ shall not change the purpose of its levy within the 216
ten-mill limitation in a manner that ~~will~~ would result in an 217
increase in the amount of real property taxes levied by the 218
board in the tax year the change takes effect, ~~the~~. 219

If the board of education of a city, local, or exempted 220
village school district proposes to change its levy within the 221

ten-mill limitation in any other manner that would result in an 222
increase in the amount of real property taxes levied by the 223
board in the tax year the change takes effect, the board shall 224
hold a public hearing solely on the proposal before adopting a 225
resolution to implement the proposal. The board shall publish 226
notice of the hearing in a newspaper of general circulation in 227
the school district once a week for two consecutive weeks or as 228
provided in section 7.16 of the Revised Code. The second 229
publication shall be not less than ten nor more than thirty days 230
before the date of the hearing, and the notice shall include the 231
date, time, place, and subject of the hearing, and a statement 232
that the change proposed by the board may result in an increase 233
in the amount of real property taxes levied by the board. At the 234
time the board submits the notice for publication, the board 235
shall send a copy of the notice to the auditor of the county 236
where the school district is located or, if the school district 237
is located in more than one county, to the auditor of each of 238
those counties. 239

Section 2. That existing sections 319.301 and 5705.314 of 240
the Revised Code are hereby repealed. 241

Section 3. (A) The amendment by this act of section 242
319.301 of the Revised Code applies to tax years beginning on or 243
after the effective date of this section. 244

(B) The amendment by this act of section 5705.314 of the 245
Revised Code applies to levies authorized within the ten-mill 246
limitation for tax years beginning on or after the effective 247
date of this section. 248