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**Representative Thomas, D.**

**Cosponsors: Representatives Daniels, Dean, Fischer, Fowler Arthur, Gross, Hall, T., John, Johnson, Peterson, Willis, Workman, Roemer, Glassburn, Brennan, Click, Craig, Creech, Deeter, Demetriou, Dovilla, Hiner, Holmes, Hoops, King, Kishman, Klopfenstein, Lampton, Mathews, A., Mathews, T., McClain, Miller, M., Newman, Plummer, Richardson, Ritter, Robb Blasdel, Salvo, Santucci, Sigrist, Stephens, Troy, Williams, Young**

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To amend sections 3317.01, 5705.31, 5705.32, and 1  
5705.321 and to enact section 5705.60 of the 2  
Revised Code to modify the law governing county 3  
budget commissions and property taxation. 4

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

**Section 1.** That sections 3317.01, 5705.31, 5705.32, and 5  
5705.321 be amended and section 5705.60 of the Revised Code be 6  
enacted to read as follows: 7

**Sec. 3317.01.** As used in this section, "school district," 8  
unless otherwise specified, means any city, local, exempted 9  
village, joint vocational, or cooperative education school 10  
district and any educational service center. 11

This chapter shall be administered by the department of 12  
education and workforce. The department of education and 13  
workforce shall calculate the amounts payable to each school 14  
district and shall certify the amounts payable to each eligible 15  
district to the treasurer of the district as provided by this 16

chapter. Certification of moneys pursuant to this section shall 17  
include the amounts payable to each school building, at a 18  
frequency determined by the department, for each subgroup of 19  
students, as defined in section 3317.40 of the Revised Code, 20  
receiving services, provided for by state funding, from the 21  
district or school. No moneys shall be distributed pursuant to 22  
this chapter without the approval of the controlling board. 23

The department shall, in accordance with appropriations 24  
made by the general assembly, meet the financial obligations of 25  
this chapter. 26

Moneys distributed to school districts pursuant to this 27  
chapter shall be calculated based on the annual enrollment 28  
calculated from the three reports required under section 3317.03 29  
of the Revised Code and paid on a fiscal year basis, beginning 30  
with the first day of July and extending through the thirtieth 31  
day of June. In any given fiscal year, prior to school districts 32  
submitting the first report required under section 3317.03 of 33  
the Revised Code, enrollment for the districts shall be 34  
calculated based on the third report submitted by the districts 35  
for the previous fiscal year. The moneys appropriated for each 36  
fiscal year shall be distributed periodically to each school 37  
district unless otherwise provided for. The department, in June 38  
of each year, shall submit to the controlling board the 39  
department's year-end distributions pursuant to this chapter. 40

Except as otherwise provided, payments under this chapter 41  
shall be made only to those school districts in which: 42

(A) The school district, except for any educational 43  
service center and any joint vocational or cooperative education 44  
school district, levies for current operating expenses at least 45  
twenty mills, unless the school district is levying less than 46

that amount due to a reduction in collections made under 47  
division (D) of section 5705.31 of the Revised Code or division 48  
(A) of section 5705.32 of the Revised Code relating to a 49  
declaration made by the board under division (E) of section 50  
5705.29 of the Revised Code. Levies for joint vocational or 51  
cooperative education school districts or county school 52  
financing districts, limited to or to the extent apportioned to 53  
current expenses, shall be included in this qualification 54  
requirement. School district income tax levies under Chapter 55  
5748. of the Revised Code, limited to or to the extent 56  
apportioned to current operating expenses, shall be included in 57  
this qualification requirement to the extent determined by the 58  
tax commissioner under division (C) of section 3317.021 of the 59  
Revised Code. 60

(B) The school year next preceding the fiscal year for 61  
which such payments are authorized meets the requirement of 62  
section 3313.48 of the Revised Code, with regard to the minimum 63  
number of hours school must be open for instruction with pupils 64  
in attendance, for individualized parent-teacher conference and 65  
reporting periods, and for professional meetings of teachers. 66

A school district shall not be considered to have failed 67  
to comply with this division because schools were open for 68  
instruction but either twelfth grade students were excused from 69  
attendance for up to the equivalent of three school days or only 70  
a portion of the kindergarten students were in attendance for up 71  
to the equivalent of three school days in order to allow for the 72  
gradual orientation to school of such students. 73

A board of education or governing board of an educational 74  
service center which has not conformed with other law and the 75  
rules pursuant thereto, shall not participate in the 76

distribution of funds authorized by this chapter, except for 77  
good and sufficient reason established to the satisfaction of 78  
the department and the state controlling board. 79

All funds allocated to school districts under this 80  
chapter, except those specifically allocated for other purposes, 81  
shall be used to pay current operating expenses only. 82

**Sec. 5705.31.** The county auditor shall present to the 83  
county budget commission the annual tax budgets submitted under 84  
sections 5705.01 to 5705.47 of the Revised Code, together with 85  
an estimate prepared by the auditor of the amount of any state 86  
levy, the rate of any school tax levy as previously determined, 87  
the tax commissioner's estimate of the amount to be received in 88  
the county public library fund, the tax rates provided under 89  
section 5705.281 of the Revised Code if adoption of the tax 90  
budget was waived under that section, and such other information 91  
as the commission requests or the tax commissioner prescribes. 92

The budget commission shall examine such budget and, if 93  
the taxing authority is a board of education that has elected to 94  
include projections pursuant to division (E) of section 5705.391 95  
of the Revised Code, shall examine such projections. Using the 96  
budget and, if applicable, included projections, the budget 97  
commission shall ascertain the total amount proposed to be 98  
raised in the county for the purposes of each subdivision and 99  
other taxing units in the county and the need for those amounts. 100  
Except as otherwise provided in this section, the county budget 101  
commission may reduce the amount to be raised by any levy 102  
pursuant to section 5705.32 of the Revised Code. 103

The commission shall ascertain that the following levies 104  
have been properly authorized and, if so authorized, shall 105  
approve them without modification: 106

(A) All levies in excess of the ten-mill limitation in the first five years they are levied, unless the levy is the renewal of an existing tax or the subdivision or taxing unit requests an amount requiring a lower rate for the succeeding fiscal year. Such a request for an amount requiring a lower rate applies only to the succeeding fiscal year unless the subdivision or taxing unit expressly states that the request is permanent.

(B) All levies for unsatisfied debt charges, including levies that remain necessary to pay notes issued for emergency purposes;

(C) The levies prescribed by division (B) of sections 742.33 and 742.34 of the Revised Code;

(D) Except as otherwise provided in this division, a minimum levy within the ten-mill limitation for the current expense and debt service of each subdivision or taxing unit, which shall equal two-thirds of the average levy for current expenses and debt service allotted within the fifteen-mill limitation to such subdivision or taxing unit during the last five years the fifteen-mill limitation was in effect unless such subdivision or taxing unit requests an amount requiring a lower rate for the succeeding fiscal year, or if it expressed its intent to forgo collections from such a levy under division (E) of section 5705.29 of the Revised Code. Such a request for an amount requiring a lower rate applies only to the succeeding fiscal year unless the subdivision or taxing unit expressly states that the request is permanent.

Except as provided in section 5705.312 of the Revised Code, if the levies required in divisions (B) and (C) of this section for the subdivision or taxing unit equal or exceed the entire minimum levy of the subdivision as fixed, the minimum

levies of the other subdivisions or taxing units shall be 137  
reduced by the commission to provide for the levies and an 138  
operating levy for the subdivision. Such additional levy shall 139  
be deducted from the minimum levies of each of the other 140  
subdivisions or taxing units, but the operating levy for a 141  
school district shall not be reduced below a figure equivalent 142  
to forty-five per cent of the millage available within the ten- 143  
mill limitation after all the levies in divisions (B) and (C) of 144  
this section have been provided for. 145

If a municipal corporation and a township have entered 146  
into an annexation agreement under section 709.192 of the 147  
Revised Code in which they agree to reallocate their shares of 148  
the minimum levies established under this division and if that 149  
annexation agreement is submitted along with the annual tax 150  
budget of both the township and the municipal corporation, then, 151  
when determining the minimum levy under this division, the 152  
auditor shall allocate, to the extent possible, the minimum levy 153  
for that municipal corporation and township in accordance with 154  
their annexation agreement. 155

Divisions (A) to (D) of this section are mandatory, and 156  
commissions shall be without discretion to reduce such minimum 157  
levies except as provided in such divisions. 158

If any debt charge is omitted from the budget, the 159  
commission shall include it therein. 160

**Sec. 5705.32.** (A) As used in this section: 161

(1) "Unnecessary collections" mean collections from a tax 162  
beyond the reasonably anticipated financial needs of the taxing 163  
authority for the specific purposes of the tax after accounting 164  
for current fund balances, projected expenditures, and other 165

available funding sources. 166

(2) "Excessive collections" mean collections from a tax in 167  
an amount or at a rate that exceeds what is required to provide 168  
services at a level that is consistent with statutory 169  
obligations. 170

(B) The county budget commission shall adjust the 171  
estimated amounts required from the general property tax for 172  
each fund, as shown by the tax budgets or other information 173  
required to be provided under section 5705.281 of the Revised 174  
Code, so as to bring the tax levies required therefor within the 175  
limitations specified in sections 5705.01 to 5705.47 of the 176  
Revised Code, for such levies. The commission may revise and 177  
adjust the estimate of balances and receipts from all sources 178  
for each fund and shall determine the total appropriations that 179  
may be made therefrom. 180

If a taxing unit declared its intent to forgo all or a 181  
portion of collections under division (E) of section 5705.29 of 182  
the Revised Code, the commission shall adjust the rate of each 183  
levy as required to result in that reduction in collections. 184

~~(B)~~ (C) Except as otherwise provided in section 5705.31 of 185  
the Revised Code, the county budget commission may adjust the 186  
estimated amounts required from the general property tax for 187  
each fund, as shown by the tax budgets or other information 188  
required to be provided under section 5705.281 of the Revised 189  
Code, so as to bring the tax levies required therefor within 190  
levels the commission finds reasonable and prudent to avoid 191  
unnecessary or excessive collections. Before reducing the amount 192  
or rate of any tax pursuant to this division, the commission 193  
shall provide the taxing authority of the levying taxing unit an 194  
opportunity to present, at a public hearing, information the 195

authority considers relevant to the questions of if and to what 196  
extent the levy should be reduced. 197

If the county budget commission adjusts amounts from any 198  
tax levied by a taxing unit that is not a qualifying 199  
subdivision, the adjustment shall be subject to both of the 200  
following: 201

(1) No levy shall be reduced below the level that would 202  
cause it to collect less than what the levy collected in the 203  
preceding year, unless funds are available from reserve balance 204  
accounts, nonexpendable trust funds, or carryover amounts to 205  
offset a reduction below that level, and the budget commission 206  
shall consider reserve balance accounts, nonexpendable trust 207  
funds, and carryover amounts for that purpose; 208

(2) No levy may be reduced under division (B) of this 209  
section to a level that would cause a school district subject to 210  
division (A) of section 3317.01 of the Revised Code to levy less 211  
than twenty mills for current operating expenses as required by 212  
that division. 213

(D) The commission shall fix the amount of the county 214  
public library fund to be distributed to each board of public 215  
library trustees that has qualified under section 5705.28 of the 216  
Revised Code for participation in the proceeds of such fund. The 217  
amount paid to all libraries in the county from such fund shall 218  
never be a smaller per cent of the fund than the average of the 219  
percentages of the county's classified taxes that were 220  
distributed to libraries in 1982, 1983, and 1984, as determined 221  
by the county auditor. The commission shall base the amount for 222  
distribution on the needs of such library for the construction 223  
of new library buildings, parts of buildings, improvements, 224  
operation, maintenance, or other expenses. In determining the 225



needs of each library board of trustees, and in calculating the 226  
amount to be distributed to any library board of trustees on the 227  
basis of its needs, the commission shall make no reduction in 228  
its allocation from the fund on account of additional revenues 229  
realized by a library from increased taxes or service charges 230  
voted by its electorate, from revenues received through federal 231  
or state grants, projects, or programs, or from grants from 232  
private sources. 233

~~(C)~~(E) Notwithstanding the fact that alternative methods 234  
of financing such needs are available, after fixing the amount 235  
to be distributed to libraries, the commission shall fix the 236  
amount, if any, of the county public library fund to be 237  
distributed to each board of township park commissioners, the 238  
county, and each municipal corporation in accordance with the 239  
following: 240

(1) Each municipal corporation in the county shall receive 241  
a per cent of the remainder that equals the per cent that the 242  
county auditor determines the classified property taxes 243  
originating in such municipal corporation in 1984 were of the 244  
total of all of the county's classified property taxes in 1984. 245  
The commission may deduct from this amount any amount that the 246  
budget commission allows to the board of township park 247  
commissioners of a township park district, the boundaries of 248  
which are coextensive with or contained within the boundaries of 249  
the municipal corporation. 250

(2) The county shall receive a per cent of the remainder 251  
that equals the per cent that the county auditor determines the 252  
classified property taxes originating outside of the boundaries 253  
of municipal corporations in the county in 1984 were of the 254  
total of all of the county's classified property taxes in 1984. 255

The commission may deduct from this amount any amount that the 256  
budget commission allows to the board of township park 257  
commissioners of a township park district, the boundaries of 258  
which are not coextensive with or contained within those of any 259  
municipal corporation in the county. 260

~~(D)~~(F) The commission shall separately set forth the 261  
amounts fixed and determined under divisions ~~(B)~~(D) and ~~(C)~~(E) 262  
of this section in the "official certificate of estimated 263  
resources," as provided in section 5705.35 of the Revised Code, 264  
and separately certify such amount to the county auditor who 265  
shall be guided thereby in the distribution of the county public 266  
library fund for and during the fiscal year. In determining such 267  
amounts, the commission shall be guided by the estimate 268  
certified by the tax commissioner and presented by the auditor 269  
under section 5705.31 of the Revised Code, as to the total 270  
amount of revenue to be received in the county public library 271  
fund during such fiscal year. 272

~~(E)~~(1)(G) (1) At least five days before the date of any 273  
meeting at which the budget commission plans to discuss the 274  
distribution of the county public library fund, it shall notify 275  
each legislative authority and board of public library trustees, 276  
county commissioners, and township park commissioners eligible 277  
to participate in the distribution of the fund of the date, 278  
time, place, and agenda for the meeting. Any legislative 279  
authority or board entitled to notice under this division may 280  
designate an officer or employee of such legislative authority 281  
or board to whom the commission shall deliver the notice. 282

(2) Before the final determination of the amount to be 283  
allotted to each subdivision from any source, the commission 284  
shall permit representatives of each subdivision and of each 285

board of public library trustees to appear before it to explain 286  
its financial needs. 287

~~(F)~~(H) If any public library receives and expends any 288  
funds allocated to it under this section for the construction of 289  
new library buildings or parts of buildings, such library shall 290  
be free and open to the inhabitants of the county in which it is 291  
located. Any board of library trustees that receives funds under 292  
this section and section 5747.48 of the Revised Code shall have 293  
its financial records open for public inspection at all 294  
reasonable times. 295

**Sec. 5705.321.** (A) As used in this section: 296

(1) "City, located wholly or partially in the county, with 297  
the greatest population" means the city, located wholly or 298  
partially in the county, with the greatest population residing 299  
in the county; however, if the county budget commission on or 300  
before January 1, 1998, adopted an alternative method of 301  
apportionment that was approved by the city, located partially 302  
in the county, with the greatest population but not the greatest 303  
population residing in the county, "city, located wholly or 304  
partially in the county, with the greatest population" means the 305  
city, located wholly or partially in the county, with the 306  
greatest population whether residing in the county or not, if 307  
this alternative meaning is adopted by action of the board of 308  
county commissioners and a majority of the boards of township 309  
trustees and legislative authorities of municipal corporations 310  
located wholly or partially in the county. 311

(2) "Participating political subdivision" means a 312  
municipal corporation or township that satisfies all of the 313  
following: 314

(a) It is located wholly or partially in the county.	315
(b) It is not the city, located wholly or partially in the county, with the greatest population.	316 317
(c) Public library fund moneys are apportioned to it under the county's alternative method or formula of apportionment in the current calendar year.	318 319 320
(B) In lieu of the method of apportionment of the county public library fund provided by division <del>(C)</del> <u>(E)</u> of section 5705.32 of the Revised Code, the county budget commission may provide for the apportionment of the fund under an alternative method or on a formula basis as authorized by this section.	321 322 323 324 325
Except as otherwise provided in division (C) of this section, the alternative method of apportionment shall have first been approved by all of the following governmental units: the board of county commissioners; the legislative authority of the city, located wholly or partially in the county, with the greatest population; and a majority of the boards of township trustees and legislative authorities of municipal corporations, located wholly or partially in the county, excluding the legislative authority of the city, located wholly or partially in the county, with the greatest population. In granting or denying approval for an alternative method of apportionment, the board of county commissioners, boards of township trustees, and legislative authorities of municipal corporations shall act by motion. A motion to approve shall be passed upon a majority vote of the members of a board of county commissioners, board of township trustees, or legislative authority of a municipal corporation, shall take effect immediately, and need not be published.	326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343

Any alternative method of apportionment adopted and 344  
approved under this division may be revised, amended, or 345  
repealed in the same manner as it may be adopted and approved. 346  
If an alternative method of apportionment adopted and approved 347  
under this division is repealed, the county public library fund 348  
shall be apportioned among the subdivisions eligible to 349  
participate in the fund, commencing in the ensuing calendar 350  
year, under the apportionment provided in divisions ~~(B)~~(C) and 351  
~~(C)~~(D) of section 5705.32 of the Revised Code, unless the repeal 352  
occurs by operation of division (C) of this section or a new 353  
method for apportionment of the fund is provided in the action 354  
of repeal. 355

(C) This division applies only in counties in which the 356  
city, located wholly or partially in the county, with the 357  
greatest population has a population of twenty thousand or less 358  
and a population that is less than fifteen per cent of the total 359  
population of the county. In such a county, the legislative 360  
authorities or boards of township trustees of two or more 361  
participating political subdivisions, which together have a 362  
population residing in the county that is a majority of the 363  
total population of the county, each may adopt a resolution to 364  
exclude the approval otherwise required of the legislative 365  
authority of the city, located wholly or partially in the 366  
county, with the greatest population. All of the resolutions to 367  
exclude that approval shall be adopted not later than the first 368  
Monday of August of the year preceding the calendar year in 369  
which distributions are to be made under an alternative method 370  
of apportionment. 371

A motion granting or denying approval of an alternative 372  
method of apportionment under this division shall be adopted by 373  
a majority vote of the members of the board of county 374

commissioners and by a majority vote of a majority of the boards 375  
of township trustees and legislative authorities of the 376  
municipal corporations located wholly or partially in the 377  
county, other than the city, located wholly or partially in the 378  
county, with the greatest population, shall take effect 379  
immediately, and need not be published. The alternative method 380  
of apportionment under this division shall be adopted and 381  
approved annually, not later than the first Monday of August of 382  
the year preceding the calendar year in which distributions are 383  
to be made under it. A motion granting approval of an 384  
alternative method of apportionment under this division repeals 385  
any existing alternative method of apportionment, effective with 386  
distributions to be made from the fund in the ensuing calendar 387  
year. An alternative method of apportionment under this division 388  
shall not be revised or amended after the first Monday of August 389  
of the year preceding the calendar year in which distributions 390  
are to be made under it. 391

(D) In determining an alternative method of apportionment 392  
authorized by this section, the county budget commission may 393  
include in the method any factor considered to be appropriate 394  
and reliable, in the sole discretion of the county budget 395  
commission. 396

(E) On the basis of any alternative method of 397  
apportionment adopted and approved as authorized by this 398  
section, as certified by the auditor to the county treasurer, 399  
the county treasurer shall make distribution of the money in the 400  
county public library fund to each subdivision eligible to 401  
participate in the fund, and the auditor, when the amount of 402  
those shares is in the custody of the treasurer in the amounts 403  
so computed to be due the respective subdivisions, shall at the 404  
same time certify to the tax commissioner the percentage share 405

of the county as a subdivision. All money received into the 406  
treasury of a subdivision from the county public library fund in 407  
a county treasury shall be paid into the general fund and used 408  
for the current operating expenses of the subdivision. 409

(F) The actions of the county budget commission taken 410  
pursuant to this section are final and may not be appealed to 411  
the board of tax appeals, except on the issues of abuse of 412  
discretion and failure to comply with the formula. 413

**Sec. 5705.60.** (A) As used in this section, "qualifying 414  
fixed-sum levy" means a tax levied on property at whatever rate 415  
is required to produce a specified amount of tax money, 416  
including a tax levied under section 5705.199 of the Revised 417  
Code, but not including a tax levied in excess of the ten-mill 418  
limitation to pay debt charges. 419

(B) Each year, the tax commissioner shall determine by 420  
what amount, if any, the rate of a qualifying fixed sum levy 421  
must be changed for the levy to produce the levy's specified 422  
amount of money for the current tax year. The tax commissioner 423  
shall certify the amount determined for each fixed-sum levy to 424  
the appropriate county auditor by the first day of September. 425

(C) Each county auditor to whom a rate change is certified 426  
under division (B) of this section shall apply the adjusted rate 427  
for the current tax year. 428

**Section 2.** That existing sections 3317.01, 5705.31, 429  
5705.32, and 5705.321 of the Revised Code are hereby repealed. 430