

As Reported by the House Ways and Means Committee

136th General Assembly

Regular Session

2025-2026

Sub. H. B. No. 335

Representative Thomas, D.

Cosponsor: Representative Click

To amend sections 5705.31 and 5705.313 and to enact
sections 5705.316, 5705.317, and 5705.318 of the
Revised Code to limit revenue increases from
inside millage levies occurring due to a
reappraisal or update, to allow a reduction of
inside millage to accompany a school district
income tax levy, to allow a reduction of inside
millage to accompany a municipal income tax
levy, and to require county budget commission
approval of inside millage reductions to
accompany a county sales tax levy.

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

Section 1. That sections 5705.31 and 5705.313 be amended
and sections 5705.316, 5705.317, and 5705.318 of the Revised
Code be enacted to read as follows:

Sec. 5705.31. The county auditor shall present to the
county budget commission the annual tax budgets submitted under
sections 5705.01 to 5705.47 of the Revised Code, together with
an estimate prepared by the auditor of the amount of any state
levy, the rate of any school tax levy as previously determined,
the tax commissioner's estimate of the amount to be received in

the county public library fund, the tax rates provided under 21
section 5705.281 of the Revised Code if adoption of the tax 22
budget was waived under that section, and such other information 23
as the commission requests or the tax commissioner prescribes. 24

The budget commission shall examine such budget and, if 25
the taxing authority is a board of education that has elected to 26
include projections pursuant to division (E) of section 5705.391 27
of the Revised Code, shall examine such projections. Using the 28
budget and, if applicable, included projections, the budget 29
commission shall ascertain the total amount proposed to be 30
raised in the county for the purposes of each subdivision and 31
other taxing units in the county and the need for those amounts. 32
Except as otherwise provided in this section, the county budget 33
commission may reduce the amount to be raised by any levy 34
pursuant to section 5705.32 of the Revised Code. 35

The commission shall ascertain that the following levies 36
have been properly authorized and, if so authorized, shall 37
approve them without modification: 38

(A) All levies in excess of the ten-mill limitation unless 39
the subdivision or taxing unit requests an amount requiring a 40
lower rate for the succeeding fiscal year. Such a request for an 41
amount requiring a lower rate applies only to the succeeding 42
fiscal year unless the subdivision or taxing unit expressly 43
states that the request is permanent. 44

(B) All levies for unsatisfied debt charges, including 45
levies that remain necessary to pay notes issued for emergency 46
purposes; 47

(C) The levies prescribed by division (B) of sections 48
742.33 and 742.34 of the Revised Code; 49

(D) Except as otherwise provided in this division, a 50
minimum levy within the ten-mill limitation for the current 51
expense and debt service of each subdivision or taxing unit, 52
which shall equal two-thirds of the average levy for current 53
expenses and debt service allotted within the fifteen-mill 54
limitation to such subdivision or taxing unit during the last 55
five years the fifteen-mill limitation was in effect unless such 56
subdivision or taxing unit requests an amount requiring a lower 57
rate for the succeeding fiscal year, or if it expressed its 58
intent to forgo collections from such a levy under division (E) 59
of section 5705.29 of the Revised Code. Such a request for an 60
amount requiring a lower rate applies only to the succeeding 61
fiscal year unless the subdivision or taxing unit expressly 62
states that the request is permanent. 63

Except as provided in section 5705.312 of the Revised 64
Code, if the levies required in divisions (B) and (C) of this 65
section for the subdivision or taxing unit equal or exceed the 66
entire minimum levy of the subdivision as fixed, the minimum 67
levies of the other subdivisions or taxing units shall be 68
reduced by the commission to provide for the levies and an 69
operating levy for the subdivision. Such additional levy shall 70
be deducted from the minimum levies of each of the other 71
subdivisions or taxing units, but the operating levy for a 72
school district shall not be reduced below a figure equivalent 73
to forty-five per cent of the millage available within the ten- 74
mill limitation after all the levies in divisions (B) and (C) of 75
this section have been provided for. 76

If a municipal corporation and a township have entered 77
into an annexation agreement under section 709.192 of the 78
Revised Code in which they agree to reallocate their shares of 79
the minimum levies established under this division and if that 80

annexation agreement is submitted along with the annual tax 81
budget of both the township and the municipal corporation, then, 82
when determining the minimum levy under this division, the 83
auditor shall allocate, to the extent possible, the minimum levy 84
for that municipal corporation and township in accordance with 85
their annexation agreement. 86

Divisions (A) to (D) of this section are mandatory, and 87
commissions shall be without discretion to reduce such minimum 88
levies except as provided in such divisions or as required in 89
section 5705.316 of the Revised Code. 90

If any debt charge is omitted from the budget, the 91
commission shall include it therein. 92

Sec. 5705.313. (A) (1) Whenever a board of county 93
commissioners adopts a resolution pursuant to section 5739.021 94
or 5739.026 of the Revised Code to levy or increase the rate of 95
a sales tax, the board may adopt an accompanying resolution 96
reducing the rate of any property tax the county currently is 97
levying for current expenses within the ten-mill limitation or 98
amending a previously adopted accompanying resolution increasing 99
the amount of an existing reduction made under this division. 100

(2) At any time after a board of county commissioners has 101
adopted a resolution pursuant to section 5739.021 or 5739.026 of 102
the Revised Code to levy or increase the rate of the sales tax, 103
the board may adopt another resolution reducing the rate of any 104
property tax the county currently is levying for current 105
expenses within the ten-mill limitation or amending a previously 106
adopted accompanying resolution increasing the amount of an 107
existing reduction made under this division. This resolution may 108
be adopted at any time during which the county is levying the 109
sales tax under section 5739.021 or 5739.026 of the Revised 110

Code. 111

The rate reduction under division (A) (1) or (2) of this 112
section may be any amount, provided it does not reduce the 113
annual property tax revenue for current expenses within the ten- 114
mill limitation by more than the amount of annual revenue the 115
commissioners estimate the sales tax levy to generate. The 116
resolution shall set forth the current millage rate for current 117
expenses of the county within the ten-mill limitation; the 118
number of such mills not currently levied under this division, 119
if any; the number of such mills currently levied that will not 120
be levied until a resolution is adopted under division (C) of 121
this section or the expiration of the specified number of years 122
the rate is not to be levied, and the tax year in which the rate 123
reduction shall first apply. The resolution may state that the 124
property tax rate reduction will be for a specified number of 125
years. A copy of the resolution shall be certified to the county 126
auditor. 127

(B) Notwithstanding any other provision of law, whenever a 128
board of county commissioners adopts a resolution under division 129
(A) of this section, no other taxing unit may levy any portion 130
of the rate the county does not levy until the expiration of the 131
specified number of years that such portion of the rate 132
reduction is in effect as set forth in the resolution, except as 133
may be required by the county budget commission pursuant to 134
division (D) of section 5705.31 of the Revised Code to provide 135
for the levies required in division (B) of that section for debt 136
charges of a subdivision or taxing unit. 137

(C) At any time a rate reduction is in effect the board of 138
county commissioners may, by two-thirds vote of its members, 139
adopt a resolution ~~increasing~~ seeking approval from the county 140

budget commission to increase the rate of the levy by any amount 141
up to the rate at which it was levied prior to its rate 142
reduction under this section. ~~The board shall then immediately~~ 143
Upon adoption, a copy of the resolution shall be certified to 144
the commission which may, by majority vote, approve the 145
increased rate and certify its action to the county auditor. If 146
the commissioners increase the rate to the full rate at which it 147
was levied prior to its rate reduction under this section, this 148
section shall thereupon cease to apply to that county until 149
another resolution is adopted pursuant to division (A)(1) or (2) 150
of this section. 151

Sec. 5705.316. (A) As used in this section: 152

(1) "Taxes charged and payable" means real property taxes, 153
or manufactured home taxes assessed pursuant to section 4503.06 154
of the Revised Code, that are charged and payable after 155
reductions required by sections 319.301, 319.302, 323.152, 156
323.158, 319.304, 4503.065, and 4503.0610 of the Revised Code. 157

(2) "Current taxes charged and payable" means, for a levy, 158
the taxes charged and payable for the current tax year, in the 159
case of real property, or the following tax year, in the case of 160
manufactured or mobile homes on the manufactured home tax list, 161
excluding any taxes charged and payable against property, or any 162
portion of property, that was not taxed by the taxing district 163
in the most recent tax year to which section 5715.24 of the 164
Revised Code applied in the county, in the case of real 165
property, or in the following tax year, in the case of 166
manufactured or mobile homes on the manufactured home tax list. 167

(3) "Base taxes charged and payable" means, for a levy, 168
the taxes charged and payable for the tax year immediately 169
preceding the current tax year, in the case of real property, or 170

the current tax year, in the case of manufactured or mobile 171
homes on the manufactured home tax list, excluding any taxes 172
charged and payable against property, or any portion of 173
property, that was not taxed by the taxing district in the most 174
recent tax year to which section 5715.24 of the Revised Code 175
applied in the county, in the case of real property, or in the 176
following tax year, in the case of manufactured or mobile homes 177
on the manufactured home tax list. 178

(4) "County budget commission" means a joint budget 179
commission in the context of a taxing unit with territory 180
located in two or more counties. 181

(5) "Inflation factor" means, for a tax year, the greater 182
of zero per cent or the percentage change in the gross domestic 183
product deflator computed over the three preceding tax years, as 184
determined under division (F) of this section. 185

(6) "Reappraisal or triennial update" means a tax year in 186
which section 5715.24 of the Revised Code applies in the county. 187

(B) Notwithstanding division (D) of section 133.25 of the 188
Revised Code and except as provided in division (D) of this 189
section, in September of each tax year in which a county 190
undergoes a reappraisal or triennial update, the county budget 191
commission shall adjust the rate of any levy within the ten-mill 192
limitation so that the increase in current taxes charged and 193
payable for that levy over the base taxes charged and payable 194
for that levy do not exceed the product of the base taxes 195
charged and payable and the inflation factor certified under 196
division (F) of this section for that tax year, rounded to the 197
nearest multiple of one hundred dollars. 198

(C) The commission shall certify each rate reduced under 199

division (A) of this section to the county auditor not later 200
than the first day of December. In the case of property on the 201
real property tax list, the adjusted rates shall apply to the 202
tax year in which the adjusted rates are certified and to each 203
ensuing tax year, until the next tax year in which adjusted 204
rates are certified under this section. In the case of 205
manufactured or mobile homes on the manufactured home tax list, 206
the adjusted rates shall apply to the tax year following the 207
year in which the adjusted rates are certified and to each 208
ensuing tax year, until the tax year following the next year in 209
which adjusted rates are certified under this section. 210
Notwithstanding any other section of the Revised Code to the 211
contrary, a county budget commission shall not reallocate mills 212
reduced pursuant to this section to any other taxing unit. 213

(D) For a taxing unit that elects to forgo revenue from or 214
otherwise voluntarily reduce the rate of a levy within the ten- 215
mill limitation for one or more tax years, beyond which would be 216
required under division (B) of this section, the calculation of 217
the limit under division (B) of this section in subsequent tax 218
years shall be based on the taxes charged and payable for the 219
tax year preceding such voluntary reduction. Nothing in this 220
section requires increasing the rate of a levy above what it was 221
before the operation of this section. 222

(E) If the current taxes charged and payable for a levy 223
within the ten-mill limitation do not increase for a tax year to 224
which section 5715.24 of the Revised Code applies in the county 225
compared to the base taxes charged and payable, then the county 226
auditor, in September of that year, shall calculate the 227
increased rate of the levy that would cause the levy's current 228
taxes charged and payable to be the same as the levy's base 229
taxes charged and payable, rounded to the nearest one hundredths 230

of one mill, and shall certify to the applicable taxing unit the 231
increased rate. A taxing unit, not later than the first day of 232
November, may adopt and certify to the county auditor a 233
resolution or ordinance requesting that the levy be levied up to 234
the rate certified by the county auditor under this division. 235
The resolution or ordinance shall also be accompanied by 236
information demonstrating the taxing unit's need for the higher 237
rate. The county auditor, upon receipt of this certification, 238
shall convene the county budget commission, which shall decide 239
whether to approve, partially approve, or deny the taxing unit's 240
request for an increased rate based on its evaluation of the 241
taxing unit's need for the increase. If it wholly or partially 242
approves the increase, the commission shall certify the amount 243
of the rate of increase to the county auditor not later than the 244
first day of December. The increased rate shall apply to the 245
current tax year, or the ensuing tax year for manufactured or 246
mobile homes on the manufactured home tax list, and each ensuing 247
year until the next tax year in which an adjusted rate for the 248
levy is certified under this section. Nothing in this division 249
allows a county budget commission or taxing unit to exceed the 250
ten-mill limitation. 251

(F) The tax commissioner shall annually determine the 252
percentage change in the gross domestic product deflator 253
determined by the bureau of economic analysis of the United 254
States department of commerce from the first day of January of 255
the third preceding calendar year to the last day of December of 256
the preceding calendar year. The commissioner shall certify the 257
resulting amount to each county auditor whose county undergoes a 258
reappraisal or triennial update not later than the first day of 259
September of each year. 260

Sec. 5705.317. (A) The legislative authority of a 261

municipal corporation that levies or seeks to levy a tax on 262
income under Chapter 718. of the Revised Code may, by ordinance 263
or resolution, reduce the rate of one or more levies for current 264
expenses levied by the municipal corporation within the ten-mill 265
limitation by any amount which would reduce the annual revenue 266
from those levies by up to the amount of annual revenue the 267
legislative authority estimates the income tax to produce. The 268
ordinance or resolution shall state the following: 269

(1) The rate, expressed in mills, of all levies for 270
current expenses levied by the municipal corporation within the 271
ten-mill limitation; 272

(2) The current number of mills reduced pursuant to this 273
section; 274

(3) The amount of the reduction, expressed in mills; 275

(4) The tax year in which the reduction shall begin to 276
apply; 277

(5) The number of years for which the reduction shall 278
apply or that it shall apply for a continuing period of time. 279

An ordinance or resolution authorized by this section may 280
accompany an ordinance or resolution to levy or increase the 281
rate of a tax under Chapter 718. of the Revised Code. Upon 282
adoption, a copy of the ordinance or resolution shall be 283
certified to the county auditor. 284

(B) Notwithstanding any other section of the Revised Code 285
to the contrary, no other taxing unit may levy any portion of 286
the mills reduced pursuant to this section and a county budget 287
commission shall not reallocate mills reduced pursuant to this 288
section to any other taxing unit, except as may be required by 289
division (D) of section 5705.31 of the Revised Code. 290

(C) A legislative authority may, by ordinance or 291
resolution approved by a vote of two-thirds of all of its 292
members, seek approval from the county budget commission to 293
increase the rate of a levy reduced under this section by any 294
amount up to the rate at which it was levied prior to the 295
operation of this section. Upon adoption, a copy of the 296
ordinance or resolution shall be certified to the commission 297
which may, by majority vote, approve the increased rate and 298
certify the same to the county auditor. 299

Sec. 5705.318. (A) As used in this section, "school 300
district income tax" has the same meaning as in section 5748.01 301
of the Revised Code. 302

(B) The board of education of a school district that 303
levies or seeks to levy a school district income tax may, by 304
resolution, reduce the rate of one or more levies for current 305
expenses levied by the school district within the ten-mill 306
limitation by any amount which would reduce the annual revenue 307
from those levies by up to the amount of annual revenue the 308
board estimates the income tax to produce. The resolution shall 309
state the following: 310

(1) The rate, expressed in mills, of all levies for 311
current expenses levied by the school district within the ten- 312
mill limitation; 313

(2) The current number of mills reduced pursuant to this 314
section; 315

(3) The amount of the reduction, expressed in mills; 316

(4) The tax year in which the reduction shall begin to 317
apply; 318

(5) The number of years for which the reduction shall 319

apply or that it shall apply for a continuing period of time. 320

A resolution authorized by this section may accompany a 321
resolution to levy or increase the rate of a school district 322
income tax under Chapter 5748. of the Revised Code. Upon 323
adoption, a copy of the resolution shall be certified to the 324
county auditor. 325

(C) Notwithstanding any other section of the Revised Code 326
to the contrary, no other taxing unit may levy any portion of 327
the mills reduced pursuant to this section and a county budget 328
commission shall not reallocate mills reduced pursuant to this 329
section to any other taxing unit, except as may be required by 330
division (D) of section 5705.31 of the Revised Code. 331

(D) A board of education may, by resolution approved by a 332
vote of two-thirds of all of its members, seek approval from the 333
county budget commission to increase the rate of a levy reduced 334
under this section by any amount up to the rate at which it was 335
levied prior to the operation of this section. Upon adoption, a 336
copy of the resolution shall be certified to the commission 337
which may, by majority vote, approve the increased rate and 338
certify the same to the county auditor. 339

Section 2. That existing sections 5705.31 and 5705.313 of 340
the Revised Code are hereby repealed. 341

Section 3. The amendment or enactment by this act of 342
sections 5705.31 and 5705.316 of the Revised Code applies, in 343
the case of property on the real property tax list, to tax year 344
2026 and every tax year thereafter and, in the case of 345
manufactured or mobile homes on the manufactured home tax list, 346
to tax year 2027 and every tax year thereafter. 347