

**As Reported by the Senate Local Government Committee**

**136th General Assembly**

**Regular Session**

**Sub. H. B. No. 335**

**2025-2026**

**Representative Thomas, D.**

**Cosponsors: Representatives Click, Brennan, Craig, Creech, Daniels, Deeter, Dovilla, Fowler Arthur, Gross, Hall, T., Holmes, John, Johnson, King, Kishman, Lear, Mathews, A., Mathews, T., McClain, Miller, M., Newman, Peterson, Plummer, Richardson, Roemer, Salvo, Stewart, Williams, Willis, Workman, Young**

**Senator Koehler**

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To amend section 5705.31 and to enact section 1  
5705.316 of the Revised Code to limit revenue 2  
increases from inside millage levies occurring 3  
due to a reappraisal or update. 4

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

**Section 1.** That section 5705.31 be amended and section 5  
5705.316 of the Revised Code be enacted to read as follows: 6

**Sec. 5705.31.** The county auditor shall present to the 7  
county budget commission the annual tax budgets submitted under 8  
sections 5705.01 to 5705.47 of the Revised Code, together with 9  
an estimate prepared by the auditor of the amount of any state 10  
levy, the rate of any school tax levy as previously determined, 11  
the tax commissioner's estimate of the amount to be received in 12  
the county public library fund, the tax rates provided under 13  
section 5705.281 of the Revised Code if adoption of the tax 14  
budget was waived under that section, and such other information 15  
as the commission requests or the tax commissioner prescribes. 16

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

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

(A) All levies in excess of the ten-mill limitation unless  
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 46  
limitation to such subdivision or taxing unit during the last 47  
five years the fifteen-mill limitation was in effect unless such 48  
subdivision or taxing unit requests an amount requiring a lower 49  
rate for the succeeding fiscal year, or if it expressed its 50  
intent to forgo collections from such a levy under division (E) 51  
of section 5705.29 of the Revised Code. Such a request for an 52  
amount requiring a lower rate applies only to the succeeding 53  
fiscal year unless the subdivision or taxing unit expressly 54  
states that the request is permanent. 55

Except as provided in section 5705.312 of the Revised 56  
Code, if the levies required in divisions (B) and (C) of this 57  
section for the subdivision or taxing unit equal or exceed the 58  
entire minimum levy of the subdivision as fixed, the minimum 59  
levies of the other subdivisions or taxing units shall be 60  
reduced by the commission to provide for the levies and an 61  
operating levy for the subdivision. Such additional levy shall 62  
be deducted from the minimum levies of each of the other 63  
subdivisions or taxing units, but the operating levy for a 64  
school district shall not be reduced below a figure equivalent 65  
to forty-five per cent of the millage available within the ten- 66  
mill limitation after all the levies in divisions (B) and (C) of 67  
this section have been provided for. 68

If a municipal corporation and a township have entered 69  
into an annexation agreement under section 709.192 of the 70  
Revised Code in which they agree to reallocate their shares of 71  
the minimum levies established under this division and if that 72  
annexation agreement is submitted along with the annual tax 73  
budget of both the township and the municipal corporation, then, 74  
when determining the minimum levy under this division, the 75  
auditor shall allocate, to the extent possible, the minimum levy 76

for that municipal corporation and township in accordance with 77  
their annexation agreement. 78

Divisions (A) to (D) of this section are mandatory, and 79  
commissions shall be without discretion to reduce such minimum 80  
levies except as provided in such divisions or as required in 81  
section 5705.316 of the Revised Code. 82

If any debt charge is omitted from the budget, the 83  
commission shall include it therein. 84

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

(1) "Taxes charged and payable" means real property taxes, 86  
or manufactured home taxes assessed pursuant to section 4503.06 87  
of the Revised Code, that are charged and payable after 88  
reductions required by sections 319.301, 319.302, 323.152, 89  
323.158, 319.304, 4503.065, and 4503.0610 of the Revised Code. 90

(2) "Current taxes charged and payable" means, for a levy, 91  
the taxes charged and payable for the current tax year, in the 92  
case of real property, or the following tax year, in the case of 93  
manufactured or mobile homes on the manufactured home tax list, 94  
excluding any taxes charged and payable against property, or any 95  
portion of property, that was not taxed by the taxing district 96  
in the most recent tax year to which section 5715.24 of the 97  
Revised Code applied in the county, in the case of real 98  
property, or in the following tax year, in the case of 99  
manufactured or mobile homes on the manufactured home tax list. 100

(3) "Base taxes charged and payable" means, for a levy, 101  
the taxes charged and payable for the tax year immediately 102  
preceding the current tax year, in the case of real property, or 103  
the current tax year, in the case of manufactured or mobile 104  
homes on the manufactured home tax list, excluding any taxes 105

<u>charged and payable against property, or any portion of</u>	106
<u>property, that was not taxed by the taxing district in the most</u>	107
<u>recent tax year to which section 5715.24 of the Revised Code</u>	108
<u>applied in the county, in the case of real property, or in the</u>	109
<u>following tax year, in the case of manufactured or mobile homes</u>	110
<u>on the manufactured home tax list.</u>	111
<u>(4) "County budget commission" means a joint budget</u>	112
<u>commission in the context of a taxing unit with territory</u>	113
<u>located in two or more counties.</u>	114
<u>(5) "Inflation factor" means, for a tax year, the greater</u>	115
<u>of zero per cent or the percentage change in the gross domestic</u>	116
<u>product deflator computed over the three preceding tax years, as</u>	117
<u>determined under division (F) of this section.</u>	118
<u>(6) "Reappraisal or triennial update" means a tax year in</u>	119
<u>which section 5715.24 of the Revised Code applies in the county.</u>	120
<u>(B) Notwithstanding division (D) of section 133.25 of the</u>	121
<u>Revised Code and except as provided in division (D) of this</u>	122
<u>section, in September of each tax year in which a county</u>	123
<u>undergoes a reappraisal or triennial update, the county budget</u>	124
<u>commission shall adjust the rate of any levy within the ten-mill</u>	125
<u>limitation so that the increase in current taxes charged and</u>	126
<u>payable for that levy over the base taxes charged and payable</u>	127
<u>for that levy do not exceed the product of the base taxes</u>	128
<u>charged and payable and the inflation factor certified under</u>	129
<u>division (F) of this section for that tax year, rounded to the</u>	130
<u>nearest multiple of one hundred dollars.</u>	131
<u>(C) The commission shall certify each rate reduced under</u>	132
<u>division (A) of this section to the county auditor not later</u>	133
<u>than the first day of December. In the case of property on the</u>	134

real property tax list, the adjusted rates shall apply to the 135  
tax year in which the adjusted rates are certified and to each 136  
ensuing tax year, until the next tax year in which adjusted 137  
rates are certified under this section. In the case of 138  
manufactured or mobile homes on the manufactured home tax list, 139  
the adjusted rates shall apply to the tax year following the 140  
year in which the adjusted rates are certified and to each 141  
ensuing tax year, until the tax year following the next year in 142  
which adjusted rates are certified under this section. 143  
Notwithstanding any other section of the Revised Code to the 144  
contrary, a county budget commission shall not reallocate mills 145  
reduced pursuant to this section to any other taxing unit. 146

(D) For a taxing unit that elects to forgo revenue from or 147  
otherwise voluntarily reduce the rate of a levy within the ten- 148  
mill limitation for one or more tax years, beyond which would be 149  
required under division (B) of this section, the calculation of 150  
the limit under division (B) of this section in subsequent tax 151  
years shall be based on the taxes charged and payable for the 152  
tax year preceding such voluntary reduction. Nothing in this 153  
section requires increasing the rate of a levy above what it was 154  
before the operation of this section. 155

(E) If the current taxes charged and payable for a levy 156  
within the ten-mill limitation do not increase for a tax year to 157  
which section 5715.24 of the Revised Code applies in the county 158  
compared to the base taxes charged and payable, then the county 159  
auditor, in September of that year, shall calculate the 160  
increased rate of the levy that would cause the levy's current 161  
taxes charged and payable to be the same as the levy's base 162  
taxes charged and payable, rounded to the nearest one hundredths 163  
of one mill, and shall certify to the applicable taxing unit the 164  
increased rate. A taxing unit, not later than the first day of 165

November, may adopt and certify to the county auditor a 166  
resolution or ordinance requesting that the levy be levied up to 167  
the rate certified by the county auditor under this division. 168  
The resolution or ordinance shall also be accompanied by 169  
information demonstrating the taxing unit's need for the higher 170  
rate. The county auditor, upon receipt of this certification, 171  
shall convene the county budget commission, which shall decide 172  
whether to approve, partially approve, or deny the taxing unit's 173  
request for an increased rate based on its evaluation of the 174  
taxing unit's need for the increase. If it wholly or partially 175  
approves the increase, the commission shall certify the amount 176  
of the rate of increase to the county auditor not later than the 177  
first day of December. The increased rate shall apply to the 178  
current tax year, or the ensuing tax year for manufactured or 179  
mobile homes on the manufactured home tax list, and each ensuing 180  
year until the next tax year in which an adjusted rate for the 181  
levy is certified under this section. Nothing in this division 182  
allows a county budget commission or taxing unit to exceed the 183  
ten-mill limitation. 184

(F) The tax commissioner shall annually determine the 185  
percentage change in the gross domestic product deflator 186  
determined by the bureau of economic analysis of the United 187  
States department of commerce from the first day of January of 188  
the third preceding calendar year to the last day of December of 189  
the preceding calendar year. The commissioner shall certify the 190  
resulting amount to each county auditor whose county undergoes a 191  
reappraisal or triennial update not later than the first day of 192  
September of each year. 193

**Section 2.** That existing section 5705.31 of the Revised 194  
Code is hereby repealed. 195

**Section 3.** The amendment or enactment by this act of  
sections 5705.31 and 5705.316 of the Revised Code applies, in  
the case of property on the real property tax list, to tax year  
2026 and every tax year thereafter and, in the case of  
manufactured or mobile homes on the manufactured home tax list,  
to tax year 2027 and every tax year thereafter. 196  
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