

As Reported by the Senate Local Government Committee

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Sub. H. B. No. 335

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

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 17
the taxing authority is a board of education that has elected to 18
include projections pursuant to division (E) of section 5705.391 19
of the Revised Code, shall examine such projections. Using the 20
budget and, if applicable, included projections, the budget 21
commission shall ascertain the total amount proposed to be 22
raised in the county for the purposes of each subdivision and 23
other taxing units in the county and the need for those amounts. 24
Except as otherwise provided in this section, the county budget 25
commission may reduce the amount to be raised by any levy 26
pursuant to section 5705.32 of the Revised Code. 27

The commission shall ascertain that the following levies 28
have been properly authorized and, if so authorized, shall 29
approve them without modification: 30

(A) All levies in excess of the ten-mill limitation unless 31
the subdivision or taxing unit requests an amount requiring a 32
lower rate for the succeeding fiscal year. Such a request for an 33
amount requiring a lower rate applies only to the succeeding 34
fiscal year unless the subdivision or taxing unit expressly 35
states that the request is permanent. 36

(B) All levies for unsatisfied debt charges, including 37
levies that remain necessary to pay notes issued for emergency 38
purposes; 39

(C) The levies prescribed by division (B) of sections 40
742.33 and 742.34 of the Revised Code; 41

(D) Except as otherwise provided in this division, a 42
minimum levy within the ten-mill limitation for the current 43
expense and debt service of each subdivision or taxing unit, 44
which shall equal two-thirds of the average levy for current 45

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: 85

(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

charged and payable against property, or any portion of 106
property, that was not taxed by the taxing district in the most 107
recent tax year to which section 5715.24 of the Revised Code 108
applied in the county, in the case of real property, or in the 109
following tax year, in the case of manufactured or mobile homes 110
on the manufactured home tax list. 111

(4) "County budget commission" means a joint budget 112
commission in the context of a taxing unit with territory 113
located in two or more counties. 114

(5) "Inflation factor" means, for a tax year, the greater 115
of zero per cent or the percentage change in the gross domestic 116
product deflator computed over the three preceding tax years, as 117
determined under division (F) of this section. 118

(6) "Reappraisal or triennial update" means a tax year in 119
which section 5715.24 of the Revised Code applies in the county. 120

(B) Notwithstanding division (D) of section 133.25 of the 121
Revised Code and except as provided in division (D) of this 122
section, in September of each tax year in which a county 123
undergoes a reappraisal or triennial update, the county budget 124
commission shall adjust the rate of any levy within the ten-mill 125
limitation so that the increase in current taxes charged and 126
payable for that levy over the base taxes charged and payable 127
for that levy do not exceed the product of the base taxes 128
charged and payable and the inflation factor certified under 129
division (F) of this section for that tax year, rounded to the 130
nearest multiple of one hundred dollars. 131

(C) The commission shall certify each rate reduced under 132
division (A) of this section to the county auditor not later 133
than the first day of December. In the case of property on the 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	196
sections 5705.31 and 5705.316 of the Revised Code applies, in	197
the case of property on the real property tax list, to tax year	198
2026 and every tax year thereafter and, in the case of	199
manufactured or mobile homes on the manufactured home tax list,	200
to tax year 2027 and every tax year thereafter.	201