OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 391
136th General Assembly

Bill Analysis

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Version: As Passed by the House

Primary Sponsors: Reps. Daniels and Workman

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SUMMARY

- Requires tax rates to be expressed as a percentage of true value, in addition to mills, on tax bills as well as election notices and ballot language for elections occurring on or after November 1, 2027.
- Requires all property tax ballot language and election notices to describe the true value of property as the "county's market value," rather than "the county auditor's market value."
- Requires a ballot issue levying a municipal or school district income tax to include the estimated annual revenue the tax will generate in the first year it is levied.

DETAILED ANALYSIS

Property tax bill and ballot language

The bill requires property tax rates to be expressed on tax bills, election notices, and ballot language both in terms of mills, as required under current law, and as a percentage of true value. Property taxes are levied in "mills." One mill is one-tenth of one cent, so a one mill tax equals $1 in property tax per $1,000 of a property's taxable value. County auditors determine the true value of real property for taxation by appraising it according to its market value – what a willing buyer would pay to a willing seller. A property's taxable value, upon which tax rates are applied, equals 35% of its appraised value. Each property's appraised value is reevaluated every three years. Auditors conduct a reappraisal every six years and an update every three years in between each reappraisal.[1]

[1] R.C. 5713.03, not in the bill.

In general, to submit a property tax levy to voters, a taxing authority certifies a resolution to the board of elections, which prepares ballot language describing the levy and places a notice describing the proposed levy in newspapers, generally two weeks before the election.[2] The bill adds a requirement that the rate information required to be displayed on these election notices and ballot language be expressed both in terms of mills, as under current law, and as a percentage of true value, expressed as the "county's market value."

More broadly, the bill also requires all property tax ballot language and election notices to describe the true value of property as the "county's market value," rather than "the county auditor's market value." Under current law, the term is most often used in ballot language to express a levy in dollars for each $100,000 of the "county auditor's market value." The bill would require this language to be expressed as dollars for each $100,000 of the "county's market value."[3]

As an example, consider a proposed **one-mill** levy. Expressed as a percentage, that rate is 0.1% of taxable value. To calculate the rate on true value, this figure is multiplied by the assessment percentage, 35% under continuing law, in this example equaling a rate of **0.035%**. The underlined language below reflects a possible rendering of the bill's addition to the ballot language for this example of a simple, fixed-rate tax levy.

> An additional tax for the benefit of. . . (subdivision) for the purpose of. . . (purpose), that the county auditor estimates will collect $. . . annually, at a rate not exceeding 1 mill for each $1 of taxable value, <u>which equals 0.035% of the county's market value,</u> which amounts to $35 for each $100,000 of the county's market value, for. . . (term).

The Secretary of State is to ultimately prescribe the form of the notice and ballot language to incorporate this information. The requirement begins to apply with elections held on or after November 1, 2027.[4] The bill also adds the requirement that property tax and manufactured home tax bills similarly reflect the tax rate both in mills and as a percentage of true value.[5]

Local income tax levy ballot language

The bill also requires the language of a ballot issue levying an income tax for a municipal corporation or school district to include the estimated annual revenue the income tax will generate for the first year it is levied. Under continuing law, to submit an income tax to voters,

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[2] See, e.g., R.C. 5705.25.

[3] R.C. 133.18, 306.32, 306.322, 323.131, 345.01, 345.03, 345.04, 505.37, 505.48, 505.481, 511.28, 511.34, 513.18, 755.181, 1545.041, 1545.21, 1711.30, 3311.50, 3318.01, 3318.06, 3318.061, 3318.062, 3318.063, 3318.361, 3318.45, 3381.03, 4503.06, 4582.024, 4582.26, 5705.01, 5705.03, 5705.171, 5705.195, 5705.196, 5705.197, 5705.21, 5705.213, 5705.215, 5705.218, 5705.219, 5705.233, 5705.25, 5705.251, 5705.261, 5705.55, 5748.01, 5748.02, 5748.03, and 5748.08.

[4] Section 3.

[5] R.C. 323.131 and 4503.06.

the municipal corporation or school district must adopt a resolution or ordinance describing the rate and purpose of the tax and certify the same to the board of elections. Under the bill, that ordinance or resolution, and the ballot language the board of elections must subsequently prepare, must also include an estimate of the total revenue the income tax will generate in its first year. The requirement begins to apply with elections held on or after November 1, 2027.[6]

HISTORY

Action	Date
Introduced	07-01-25
Reported, H. Ways & Means	11-18-26
Passed House (93-0)	11-18-26

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[6] R.C. 718.04, 718.09, 718.10, 5748.02, 5748.021, 5748.03, and 5748.08; Section 3.