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H.B. 778
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 778's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. K. Miller and D. Thomas

Local Impact Statement Procedure Required: No

Francis Bediako, Economist

Highlights

- The bill excludes certain fire and emergency medical services (EMS) property tax levies from being reduced by a community reinvestment area (CRA) or tax increment financing (TIF) tax exemption.
- The bill does not impose significant new costs to local governments.

Detailed Analysis

The bill requires that beginning on its effective date, any new community reinvestment area (CRA) approvals and any new tax increment financing (TIF) ordinances and/or resolutions must exclude specified fire and emergency medical services (EMS) levies from the property tax exemptions applied to improvements. Practically, the improved value designated under future CRA and TIF actions remains taxable for those fire and EMS millage rates, rather than being abated or diverted into service payments in lieu of taxes. The bill makes this exclusion explicit across the local frameworks so that protected fire and EMS millage continues to be billed and collected on the improved value for new authorizations.

The bill applies prospectively. Exemptions authorized in ordinances and resolutions adopted on or after the effective date are covered and existing CRA and TIF arrangements continue under current terms unless a jurisdiction adopts new authorizing legislation after the date. TIF statutes dedicate service payments in lieu of taxes (PILOTs) to the public infrastructure designated in the enabling ordinance and resolution. By excluding protected fire and EMS millage from exemption, PILOT streams in newly adopted districts will be correspondingly lower than they otherwise would be. The bill does not require any local backfill or supplemental funding and any alternative funding decisions remain a local policy choice within normal capital planning.

Property taxes are generally due in the calendar year following the tax year. For example, real property taxes charged for tax year 2025 are collected in two installments during calendar year 2026. For many local governments levying fire and EMS levies, the fiscal year begins and ends on the same date as the calendar year.

Fiscal effects

The bill excludes qualifying fire and EMS levies from CRA and TIF property tax exemptions going forward, meaning those levies remain taxable on post improvement values and are not abated or redirected into service payments. Specific costs and revenue impacts can be calculated using (1) the protected fire and EMS millage rate, (2) the incremental assessed value created by the improvement, and (3) the timing of collections by tax year or fiscal year. County auditors and local fiscal officers will update calculation practices and documentation, so protected fire and EMS millage is excluded from exemption and service payment formulas for new CRA/TIF actions. This does not impose significant new local costs but rather redirects future collections within local frameworks and applies only prospectively. Presumably, these implementation adjustments can be absorbed within their existing administrative operations.