

As Introduced

**136th General Assembly
Regular Session
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S. B. No. 66

Senators O'Brien, Lang

Cosponsors: Senators Koehler, Romanchuk, Schaffer, Roegner, Brenner

A BILL

To amend section 319.301 of the Revised Code to
include emergency levies, substitute levies, all
inside millage, and school district income taxes
in the calculation of a school district's
effective millage floor.

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

Section 1. That section 319.301 of the Revised Code be
amended to read as follows:

Sec. 319.301. (A) The reductions required by division (D)
of this section do not apply to any of the following:

(1) Taxes levied at whatever rate is required to produce a
specified amount of tax money, including a tax levied under
section 5705.199 or 5748.09 of the Revised Code, or an amount to
pay debt charges;

(2) Taxes levied within the one per cent limitation
imposed by Section 2 of Article XII, Ohio Constitution;

(3) Taxes provided for by the charter of a municipal
corporation.

(B) As used in this section:	18
(1) "Real property" includes real property owned by a railroad.	19 20
(2) "Carryover property" means all real property on the current year's tax list except:	21 22
(a) Land and improvements that were not taxed by the district in both the preceding year and the current year;	23 24
(b) Land and improvements that were not in the same class in both the preceding year and the current year.	25 26
(3) "Effective tax rate" means with respect to each class of property:	27 28
(a) The sum of the total taxes that would have been charged and payable for current expenses against real property in that class if each of the district's taxes were reduced for the current year under division (D) (1) of this section without regard to the application of division (E) (3) of this section divided by	29 30 31 32 33 34
(b) The taxable value of all real property in that class.	35
(4) "Taxes charged and payable" means the taxes charged and payable prior to any reduction required by section 319.302 of the Revised Code.	36 37 38
(C) The tax commissioner shall make the determinations required by this section each year, without regard to whether a taxing district has territory in a county to which section 5715.24 of the Revised Code applies for that year. Separate determinations shall be made for each of the two classes established pursuant to section 5713.041 of the Revised Code.	39 40 41 42 43 44

(D) With respect to each tax authorized to be levied by 45
each taxing district, the tax commissioner, annually, shall do 46
both of the following: 47

(1) Determine by what percentage, if any, the sums levied 48
by such tax against the carryover property in each class would 49
have to be reduced for the tax to levy the same number of 50
dollars against such property in that class in the current year 51
as were charged against such property by such tax in the 52
preceding year subsequent to the reduction made under this 53
section but before the reduction made under section 319.302 of 54
the Revised Code. In the case of a tax levied for the first time 55
that is not a renewal of an existing tax, the commissioner shall 56
determine by what percentage the sums that would otherwise be 57
levied by such tax against carryover property in each class 58
would have to be reduced to equal the amount that would have 59
been levied if the full rate thereof had been imposed against 60
the total taxable value of such property in the preceding tax 61
year. A tax or portion of a tax that is designated a replacement 62
levy under section 5705.192 of the Revised Code is not a renewal 63
of an existing tax for purposes of this division. 64

(2) Certify each percentage determined in division (D)(1) 65
of this section, as adjusted under division (E) of this section, 66
and the class of property to which that percentage applies to 67
the auditor of each county in which the district has territory. 68
The auditor, after complying with section 319.30 of the Revised 69
Code, shall reduce the sum to be levied by such tax against each 70
parcel of real property in the district by the percentage so 71
certified for its class. Certification shall be made by the 72
first day of September except in the case of a tax levied for 73
the first time, in which case certification shall be made within 74
fifteen days of the date the county auditor submits the 75

information necessary to make the required determination. 76

(E) (1) As used in division ~~(E) (2)~~ (E) of this section, 77
~~"pre-1982":~~ 78

(a) "Pre-1982 joint vocational taxes" means, with respect 79
to a class of property, the difference between the following 80
amounts: 81

~~(a)~~ (i) The taxes charged and payable in tax year 1981 82
against the property in that class for the current expenses of 83
the joint vocational school district of which the school 84
district is a part after making all reductions under this 85
section; 86

~~(b)~~ (ii) Two-tenths of one per cent of the taxable value 87
of all real property in that class. 88

If the amount in division ~~(E) (1) (b)~~ (E) (1) (a) (ii) of this 89
section exceeds the amount in division ~~(E) (1) (a)~~ (E) (1) (a) (i) of 90
this section, the pre-1982 joint vocational taxes shall be zero. 91

~~As used in divisions (E) (2) and (3) of this section,~~ 92
~~"taxes charged and payable" has the same meaning as in division~~ 93
~~(B) (4) of this section and excludes any tax charged and payable~~ 94
~~in 1985 or thereafter under sections 5705.194 to 5705.197 or~~ 95
~~section 5705.199, 5705.213, 5705.219, or 5748.09 of the Revised~~ 96
~~Code~~ (b) "School district income tax" has the same meaning as in 97
section 5748.01 of the Revised Code. 98

(c) "Qualifying taxes charged and payable" means the sum 99
of the following: 100

(i) For real property taxes levied within the one per cent 101
limitation imposed by Ohio Constitution, Article XII, Section 2, 102
all taxes charged and payable; 103

(ii) For all other real property taxes, the taxes charged 104
and payable for current expenses, including any real property 105
tax charged and payable under sections 5705.194 to 5705.197 or 106
section 5705.199 of the Revised Code, but excluding any real 107
property tax charged and payable under section 5705.213, 108
5705.219, or 5748.09 of the Revised Code; 109

(iii) For school district income taxes, the property tax 110
equivalent rate computed for the school district under division 111
(E) (4) of this section. 112

(2) If in the case of a school district other than a joint 113
vocational or cooperative education school district any 114
percentage required to be used in division (D) (2) of this 115
section for either class of property could cause the ~~total-~~ 116
qualifying taxes charged and payable ~~for current expenses~~ to be 117
less than two per cent of the taxable value of all real property 118
in that class that is subject to taxation by the district, the 119
commissioner shall determine what percentages would cause the 120
district's ~~total-~~qualifying taxes charged and payable ~~for-~~ 121
~~current expenses~~ against that class, after all reductions that 122
would otherwise be made under this section, to equal, when 123
combined with the pre-1982 joint vocational taxes against that 124
class, the lesser of the following: 125

(a) The sum of the rates at which those taxes are 126
authorized to be levied, including the property tax equivalent 127
rate calculated with respect to any school district income tax; 128

(b) Two per cent of the taxable value of the property in 129
that class. The auditor shall use such percentages in making the 130
reduction required by this section for that class. 131

(3) If in the case of a joint vocational school district 132

any percentage required to be used in division (D) (2) of this 133
section for either class of property could cause the ~~total~~ 134
qualifying taxes charged and payable ~~for current expenses~~ for 135
that class to be less than two-tenths of one per cent of the 136
taxable value of that class, the commissioner shall determine 137
what percentages would cause the district's ~~total~~ qualifying 138
taxes charged and payable ~~for current expenses~~ for that class, 139
after all reductions that would otherwise be made under this 140
section, to equal that amount. The auditor shall use such 141
percentages in making the reductions required by this section 142
for that class. 143

(4) Each year, on or before the first day of September, 144
the tax commissioner shall compute a property tax equivalent 145
rate for each school district that levies a school district 146
income tax, as follows: 147

(a) Multiply one mill times the total taxable value of the 148
district as determined in divisions (A) (1) and (2) of section 149
3317.021 of the Revised Code; 150

(b) Estimate the total amount of tax liability for the 151
current tax year under the school district income tax; 152

(c) Divide the amount estimated under division (E) (4) (b) 153
of this section by the product obtained under division (E) (4) (a) 154
of this section. 155

(F) No reduction shall be made under this section in the 156
rate at which any tax is levied. 157

(G) The commissioner may order a county auditor to furnish 158
any information the commissioner needs to make the 159
determinations required under division (D) or (E) of this 160
section, and the auditor shall supply the information in the 161

form and by the date specified in the order. If the auditor 162
fails to comply with an order issued under this division, except 163
for good cause as determined by the commissioner, the 164
commissioner shall withhold from such county or taxing district 165
therein fifty per cent of state revenues to local governments 166
pursuant to section 5747.50 of the Revised Code or shall direct 167
the department of education and workforce to withhold therefrom 168
fifty per cent of state revenues to school districts pursuant to 169
Chapter 3317. of the Revised Code. The commissioner shall 170
withhold the distribution of such revenues until the county 171
auditor has complied with this division, and the department 172
shall withhold the distribution of such revenues until the 173
commissioner has notified the department that the county auditor 174
has complied with this division. 175

(H) If the commissioner is unable to certify a tax 176
reduction factor for either class of property in a taxing 177
district located in more than one county by the last day of 178
November because information required under division (G) of this 179
section is unavailable, the commissioner may compute and certify 180
an estimated tax reduction factor for that district for that 181
class. The estimated factor shall be based upon an estimate of 182
the unavailable information. Upon receipt of the actual 183
information for a taxing district that received an estimated tax 184
reduction factor, the commissioner shall compute the actual tax 185
reduction factor and use that factor to compute the taxes that 186
should have been charged and payable against each parcel of 187
property for the year for which the estimated reduction factor 188
was used. The amount by which the estimated factor resulted in 189
an overpayment or underpayment in taxes on any parcel shall be 190
added to or subtracted from the amount due on that parcel in the 191
ensuing tax year. 192

A percentage or a tax reduction factor determined or 193
computed by the commissioner under this section shall be used 194
solely for the purpose of reducing the sums to be levied by the 195
tax to which it applies for the year for which it was determined 196
or computed. It shall not be used in making any tax computations 197
for any ensuing tax year. 198

(I) In making the determinations under division (D) (1) of 199
this section, the tax commissioner shall take account of changes 200
in the taxable value of carryover property resulting from 201
complaints filed under section 5715.19 of the Revised Code for 202
determinations made for the tax year in which such changes are 203
reported to the commissioner. Such changes shall be reported to 204
the commissioner on the first abstract of real property filed 205
with the commissioner under section 5715.23 of the Revised Code 206
following the date on which the complaint is finally determined 207
by the board of revision or by a court or other authority with 208
jurisdiction on appeal. The tax commissioner shall account for 209
such changes in making the determinations only for the tax year 210
in which the change in valuation is reported. Such a valuation 211
change shall not be used to recompute the percentages determined 212
under division (D) (1) of this section for any prior tax year. 213

Section 2. That existing section 319.301 of the Revised 214
Code is hereby repealed. 215

Section 3. The amendment by this act of section 319.301 of 216
the Revised Code applies to tax years beginning on or after the 217
effective date of this section. 218