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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 81
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 81's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Patton

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill freezes property tax payments for qualifying homeowners. Assuming the bill takes effect during tax year (TY) 2026, property taxes would be frozen at the amount paid for TY 2025. Because the bill does not provide GRF reimbursement for this reduction, the resulting revenue losses would be borne by local taxing authorities.

Detailed Analysis

The bill proposes a property tax reduction for homeowners who meet all of the following conditions: the householder is at least 65 years old and has an annual total income of \$70,000 or less. Assuming the bill takes effect during tax year (TY) 2026, the property tax reduction effectively “freezes” property tax payments at their TY 2025 level. Since the bill does not provide GRF reimbursement for this reduction, local taxing authorities would absorb the resulting revenue loss. The table below presents the estimated property tax revenue losses for TY 2026 through TY 2030. Property taxes are generally paid in arrears, so local tax collections would be affected beginning in calendar year 2027.

LBO estimated these potential property tax losses by first estimating the total amount of property tax paid by qualifying homeowners using data from the American Community Survey (ACS) public use microdata sample. Based on the 2024 ACS, LBO estimates that approximately 916,000 homeowners will benefit from this bill among 3.3 million homeowners in Ohio. Given volatility of property taxes in recent years, LBO presents estimates under both low- and high-growth scenarios for taxable property values, representing the lower and upper ends of the range.

Estimated Property Tax Revenue Loss for TY 2026-TY 2030	
Tax Year	Revenue Loss (\$ in millions)
TY 2026	\$115.4-\$158.6
TY 2027	\$235.4-\$325.6
TY 2028	\$360.1-\$501.5
TY 2029	\$489.8-\$686.8
TY 2030	\$624.5-\$882.0

Note: Property tax revenue losses will continue to accrue in future years, but only the first five years are displayed.

The costs associated with the property tax reduction will continue to compound over the years, which is shown in the table. As property values rise and new levies are approved by voters, the amount of property tax paid by homeowners generally increases. Additionally, the number of qualifying homeowners will fluctuate over time, as some may move, pass away, or otherwise become ineligible. At the same time, new homeowners will become eligible as they meet the bill's requirements, further impacting the total cost.

Qualifying homeowners of this freeze (approximately 27% of all owner-occupied homes) would not be affected by newly proposed property tax levies, shielding these homeowners from future local tax growth, particularly for seniors on fixed or limited incomes. This reduced exposure to new levies could also influence voter decisions on future local tax measures, as a significant share of residents would not pay higher taxes if new ballot questions were approved by voters.