



COUNTY ADVISORY BULLETIN

CAB

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MODIFY TAX LEVY PROCEDURES AND BALLOT LANGUAGE

APPLICABLE LEGISLATION: Amended House Bill 140 (134th General Assembly)

Enacts the "Ballot Uniformity and Transparency Act" to modify the form of election notices and ballot language for property tax levies.

O.R.C. SECTIONS AMENDED: 133.18, 306.32, 306.322, 345.01, 345.03, 345.04, 505.37, 505.48, 505.481, 511.27, 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, 3505.06, 4582.024, 4582.26, 5705.01, 5705.03, 5705.192, 5705.195, 5705.196, 5705.197, 5705.199, 5705.21, 5705.212, 5705.213, 5705.215, 5705.218, 5705.219, 5705.233, 5705.25, 5705.251, 5705.261, 5705.55, 5748.01, 5748.02, 5748.03, 5748.04, 5748.08, and 5748.09

O.R.C. SECTIONS ENACTED: None.

LEAD SPONSOR: Representative Derek Merrin

HOUSE COSPONSORS: : Representatives Roemer, Young, T., Brinkman, Callender, Carruthers, Click, Cross, Cutrona, Edwards, Fowler Arthur, Holmes, Householder, John, Johnson, Jones, Jordan, LaRe, Lipps, Loychik, McClain, Plummer, Riedel, Seitz, Stein, Stephens, Stewart, Stoltzfus, Swearingen, Wiggam, Young, B.

SENATE COSPONSORS: Senators Cirino, Gavarone, Huffman, S., Lang, McColley, Peterson, Schaffer

EFFECTIVE DATE: September 13, 2022

SUMMARY

Ohio law requires voter approval for all property tax levies above the 10 mill limitation (i.e., "outside millage" levies). Continuing law requires a county or other political subdivision to take certain steps in order to place a levy on the ballot. The bill changes the content of resolutions and ordinances that must be adopted by a county or other political subdivision in order to place a resolution on the ballot, and makes corresponding changes to required ballot language. Resolutions and ballot language must state the estimated effective tax rate as the number of

mills per \$1 taxable value, and in dollars per \$100,000 of the county auditor's appraised market value.

DEFINITIONS

HB 140 adds two new terms to the definitions used in ORC Chapter 5705, which governs Ohio property tax levy law:

- "The county auditor's appraised value" means the true value in money of real property.
- "Estimated effective rate" means the quotient obtained by dividing (1) an estimate of the taxes that will be charged and payable in a year against real property classified as residential or agricultural under section 5713.041 of the Revised Code from either (a) a levy that is a renewal, increase, or decrease of an existing levy or (b) an existing levy that is extended to additional territory, assuming that the additional territory has been added to the subdivision, by (2) an estimate of the total taxable value of that class of property for that year.

RESOLUTION TO THE COUNTY AUDITOR

The first step for legislative authority of a political subdivision that wishes to propose a levy is to adopt a resolution or ordinance requesting that the county auditor calculate and certify certain property tax information to the political subdivision. Continuing law (ORC Section 5705.03; see also ORC Section 133.18) requires the resolution sent to the auditor to contain the following elements:

- The purpose of the tax;
- Whether the tax is an additional levy, a renewal or a replacement of an existing tax, or a renewal or replacement of an existing tax with an increase or a decrease;
- The section of the Revised Code authorizing submission of the question of the tax;
- The term of years of the tax or if the tax is for a continuing period of time;
- That the tax is to be levied upon the entire territory of the subdivision or, if authorized by the Revised Code, a description of the portion of the territory of the subdivision in which the tax is to be levied;
- The date of the election at which the question of the tax must appear on the ballot;
- That the ballot measure must be submitted to the entire territory of the subdivision or, if authorized by the Revised Code, a description of the portion of the territory of the subdivision to which the ballot measure shall be submitted;
- The tax year in which the tax will first be levied and the calendar year in which the tax will first be collected;

- Each county in which the subdivision has territory.

The bill adds the following requirements to the content of the resolution:

- The proposed rate of the tax, expressed in mills for each one dollar of taxable value, or the dollar amount of revenue to be generated by the proposed tax;
- Whether the tax is a reduction or decrease of an existing tax, or an extension of an existing tax to additional territory.

COUNTY AUDITOR CERTIFICATION

After receiving the resolution, prior law required the county auditor to certify to the taxing authority the total current tax valuation of the subdivision, and the number of mills required to generate a specified amount of revenue, or the dollar amount of revenue that would be generated by a specified number of mills.

HB 140 modifies and expands these requirements so that the auditor must provide all of the following information to the requesting political subdivision (ORC Section 5705.03(B)(2)):

- The total current tax valuation of the subdivision;
- The number of mills for each one dollar of taxable value that is required to generate a specified amount of revenue;
- Either of the following, calculated using the tax list for the current year, and if this is not determined, the estimated amount submitted by the auditor to the county budget commission:
 - If the levy is to renew, renew and increase, renew and decrease, reduce or decrease, or extend to additional territory an existing levy that is subject to the tax reduction factor for residential property (ORC Section 319.301), the levy's estimated effective rate, expressed in dollars, rounded to the nearest dollar, for each one hundred thousand dollars of the county auditor's appraised value;
 - For all other levies, the levy's rate, expressed in dollars, rounded to the nearest dollar, for each one hundred thousand dollars of the county auditor's appraised value.
- The dollar amount of revenue, rounded to the nearest dollar, that would be generated by a specified number of mills for each one dollar of taxable value.
- For any levy or portion of a levy except a levy or portion of a levy to pay debt charges, an estimate of the levy's annual collections, rounded to the nearest one thousand dollars, calculated assuming that the amount of the tax list of the taxing authority remains constant throughout the life of the levy and if this is not determined, the estimated amount submitted by the auditor to the county budget commission.

RESOLUTION AUTHORIZING A LEVY

After receiving the certification from the county auditor, the political subdivision may move forward by adopting a resolution or ordinance stating the rate of the tax levy. Prior law required the rate to be expressed in mills for each one dollar in tax valuation as estimated by the county auditor. House Bill 140 changes this to require that the rate or estimated effective rate must be expressed in dollars for each one hundred thousand dollars of the county auditor's appraised value (ORC Section 5705.03(B)(3)). Parallel changes are made to numerous Revised Code sections authorizing levies by school districts and other political subdivisions.

Continuing law states that the political subdivision must certify this resolution or ordinance, a copy of the county auditor's certification, and the initial resolution or ordinance provided to the auditor to the proper county board of elections in the manner and within the time prescribed by the section of the Revised Code governing submission of the question. The auditor's certification must accompany the resolutions.

CHANGES TO BALLOT LANGUAGE AND ELECTION NOTICES

The Revised Code mandates that each property tax levy appear on the ballot using a prescribed form and specified language. Prior law required the rate of the tax to be expressed as the number of mills per one dollar of valuation, and as an amount of revenue raised for each \$100 of fair market valuation. The bill changes this terminology to be the number of mills for each \$1 of taxable value, which amounts to a specified amount of revenue for each \$100,000 of the county auditor's appraised value. (See sample language in Appendix)

The bill also prohibits any part of the ballot language from appearing in boldface type or in a different font size from the surrounding ballot text. This prohibition does not apply to the ballot question heading.

EFFECTIVE DATE

The bill applies to elections held 100 days on or after its effective date of September 13, 2022.

APPENDIX: SAMPLE BALLOT FORM – LEVY FOR CRIMINAL JUSTICE FACILITY

House Bill 140 changes the language required for a tax levy ballot question in numerous Ohio Revised Code sections. The following example is from ORC section 5705.233, which allows a county to issue general obligation bonds for permanent improvements to a criminal justice facility and/or to provide funds for the operating expenses of the facility:

"Shall _____ be authorized to do the following: (1) Issue bonds for the purpose of _____ in the principal amount of \$_____, to be repaid annually over a maximum period of _____ years, and levy a property tax outside the ten-mill limitation, estimated by the county auditor to average over the bond repayment period _____ mills for each \$1 of taxable value, which amounts to \$_____ for each \$100,000 of the county auditor's appraised value, to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds?"

If either a levy for permanent improvements or a levy for operating expenses and criminal justice services is proposed, or both are proposed, the ballot also must contain the following language, as appropriate:

"Levy an additional property tax to provide funds for the acquisition, construction, enlargement, renovation, maintenance, and financing of permanent improvements to a criminal justice facility, that the county auditor estimates will collect \$_____ annually, at a rate not exceeding _____ mills for each \$1 of taxable value, which amounts to \$_____ for each \$100,000 of the county auditor's appraised value, for _____ (number of years of the levy, or a continuing period of time)?

Levy an additional property tax to pay operating expenses of a criminal justice facility and provide other criminal justice services, that the county auditor estimates will collect \$_____ annually, at a rate not exceeding _____ mills for each \$1 of taxable value, which amounts to \$_____ for each \$100,000 of the county auditor's appraised value, for _____ (number of years of the levy, or a continuing period of time)?

	FOR THE BOND ISSUE AND LEVY (OR LEVIES)
	AGAINST THE BOND ISSUE AND LEVY (OR LEVIES)"