STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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September 19, 2025

Governor's Property Tax Reform Working Group previews recommendations

Governor DeWine's Property Tax Reform Working Group held its' ninth meeting on Thursday, September 18th and began to reach consensus on items to be included in the final report of recommendations due on September 30th. The group plans to review the report at its final meeting on September 25th, then issue the final report on the 30th. Below are the 21 items, in no specific order, that the working group agreed should appear in their final recommendations.

1. Support replacing substitute and replacement levies with a new type of levy, a "fixed sum levy". If the levy that a fixed sum levy replaces is still eligible for the 12.5% state credit the new levy should retain the credit.

2. County Budget Commissions can reduce levies they deem "excessive" or "unnecessary" but only if it has been 5 years or longer since the voters first approved said levy or if a renewal 2 years unless the taxing entity consents to an earlier reduction.

3. Limiting carryover balances for all levy agencies on current expense levies to 100% after consultation with the agency and a public hearing.

4. County commissioners should review and reject or approve any levies being placed on the ballot by non-elected county wide entities. If the entity spans multiple counties, the largest county by population should be responsible for approving or rejecting said levy.

5. Enacting House Bill 186 (the version that was reviewed before September 11, 2025) and apply the same principle to inside millage.

6. Add a clear and simple description on ballots about what a levy does and how much it will cost the voter.

7. Restrict emergency levies to entities under fiscal caution, watch or emergency as defined by the Auditor of State or in a "act of God" situation. These levies would have no more than a 5-year term and would be subject to the 20-mill floor.

8. Recommend the Governor convene a working group to look at the condensing and simplifying layers of government.

9. Pass and enact House Bill 156 but amend the language so the tax credit is the difference in increase from the previous taxing year, not accumulative from the base year.

10. Levy boards should be entitled to keep the interest on their own levies, but county commissioners could recover the reasonable fees incurred by the county.

11. Waive interest and penalties on delinquent taxes if the applicant is on the homestead exemption and has paid in a timely fashion at least the 2024 taxes – allowing the interest and penalties to be waived if the remainder is paid within some period of time (1 year) of the time they were originally due.

12. Adding a note about working to address housing supply in the state as a way to decrease overall housing costs.

13. Close the LLC loophole as applied to residential property.

14. Allow citizens eligible for the Homestead Credit who have owned their home for over 10 years to defer annual tax increases.

15. Disallow businesses (except for farms) from receiving the 10% property tax credit and use the savings to increase the owner occupied tax credit.

16. In addition to recommendation #9, other circuit breakers or expanded homestead exceptions should be considered.

17. Review state tax exemptions, any savings from repeal should be used to provide property tax relief.

18. Allow for the creation of residential stability zones where a homeowner who has owned a home for over 20 years and is at 80% of the average median income can receive a 50% valuation reduction. Each political subdivision would be allowed to create a limited number of zones.

19. Require that fixed sum, emergency (for the remaining term) and substitute levies (for the remaining term) count toward the 20-mill floor. In the case of a continuing

substitute levy, it will not count toward the floor for 5 years, after which time it will be included in the calculation.

20. Provide school districts the same veto authority they have for commercial CRAs for residential CRAs, which is either a length of more than 10 years or a reduction of 75% or more.

21. Acknowledge the work of the General Assembly Tax Study Committee from the 135th General Assembly.

The yet unwritten report will be released on September 30th. Members with questions should contact CCAO Policy Team Member Dan Baker at dbaker@ccao.org.

House Ways and Means Committee sets hearing on three property tax bills

The House Ways and Means Committee will meet on Wednesday, September 24th with three property tax related bills on the agenda. All bills are marked for possible substitute bills, so substantial changes could be introduced at this time.

House Bill 129 (Representative David Thomas) would require fixed sum and income tax levies to count toward the 20-mill floor and prohibit a school district from inside mileage in a way that increases a districts revenue. House Bill 186 (Representatives Jim Hoops and David Thomas) would limit the growth of inside millage for school districts at the 20-mil floor to the rate of inflation. House Bill 309 (Representative David Thomas) focuses on the authority of county budget commissions with respect to property taxes.

CCAO continues to monitor these and other property tax bills as the legislature makes its autumn return. Members will questions about these bills or other property tax items should contact CCAO Research Analyst Nick Ciolli at nciolli@ccao.org or CCAO Policy Team Member Dan Baker at dbaker@ccao.org.

Legislative Activity

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- House Bill 443 (Representatives David Thomas and Adam Mathews): To prohibit enforcement of delinquent property tax liens against certain owner-occupied homesteads.
- House Bill 445 (Representatives Mike Dovilla and Brian Stewart): Regarding regional councils of government and metropolitan planning organizations.
- House Bill 454 (Representatives Mark Hiner and Ty Mathews): To create the State Government Efficiency Commission.
- House Bill 457 (Representatives Jack Daniels and Josh Williams): To create new aggravated murder offenses for political motivation and political victims, to create a

mandatory prison term for politically motivated offenses of violence, and to add political motivation to sentencing factors for felonies and misdemeanors.

- House Bill 460 (Representatives Thad Claggett and Bernie Willis): To allow members of the General Assembly, statewide elected officials, judges, and magistrates to carry a concealed handgun in a government facility of the state or a political subdivision.
- House Bill 461 (Representative Terrence Upchurch): To require municipal and county correctional facilities and state correctional institutions to provide inmates who are deaf, hard of hearing, or severely speech impaired with access to teletypewriters.
- Senate Bill 262 (Senator Louis Blessing, III): To require a public authority or other party to a construction contract to note variations from an industry standard form.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may be of interest to counties. Other committees will likely meet as well, but as of press time for Statehouse Report, they have not released agendas. Please note that these schedules are subject to change.

If you would like to offer testimony on any bill, please visit the committee page and contact the committee chair's office for instructions on how to submit testimony.

Wednesday, September 24
House Ways and Means (11:30 a.m.)

- House Bill 129 (Representative David Thomas): To limit the ability of school districts to reallocate unvoted property tax millage and to include certain property and school district income taxes in the calculation of a school district's effective millage floor.
    - Fourth hearing, all testimony
    - **POSSIBLE SUBSTITUTE BILL**
- House Bill 186 (Representatives Jim Hoops and David Thomas): To authorize a reduction in school district property taxes affected by a millage floor that would limit increases in such taxes according to inflation and to require a corresponding adjustment in the school funding formula.
    - Fifth hearing, all testimony
    - **POSSIBLE SUBSTITUTE BILL**
- House Bill 309 (Representative David Thomas): To modify the law governing county budget commissions, property taxation, and alternative apportionment formulas for local government and public library funds.
    - Third hearing, all testimony
    - **POSSIBLE SUBSTITUTE BILL**