STATEHOUSE REPORT

Published by the County Commissioners Association of Ohio

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September 11, 2026

Webinar on administration of SNAP, Medicaid, and other JFS programs being held on Monday

The second of CCAO's three-part webinar series to dive deeper into the important human services systems that counties administer will be held on ***Monday, September 14 at 2:00 p.m***. and will focus on the job and family services (JFS) system.

Our county JFS agencies administer several public assistance programs including SNAP, Medicaid, TANF, and publicly funded child care. This webinar will discuss the core functions of county JFS and how new federal and state legislation are impacting operations.

The goal of the webinar series is to help familiarize commissioners with the system and the challenge it faces as we head into a new gubernatorial administration and a new General Assembly.

You can register for the webinar here.

The final webinar in the series will focus on child support enforcement agencies and will be held on September 28.

If you missed our first webinar on the child welfare system, you can find the slides and recording on our website.

Property Tax Overview: Reforms and the Abolishment Campaign

This week's issue, building upon the August 28 and the September 4 issues, discusses the property tax reforms that the 136th General Assembly has enacted and will give an update on the campaign to place an abolishment amendment on the November 2027 ballot.

Reforms: House Bill 96, state operating budget

The General Assembly got the ball rolling by including a swath of property tax reform concepts in HB 96, the operating budget. Some of these items were vetoed by Governor DeWine, and one of the vetoes was subsequently overridden.

Replacement Levy Type Elimination
The budget eliminated the authority of political subdivisions to utilize a property tax levy type called "replacements." Replacement levies became controversial due to potential voter confusion. These levies maintain the original gross millage of an existing levy but remove existing property tax reduction factors.

Since the levies refresh the gross millage, they cause property tax bills to increase. The General Assembly was concerned that voters did not understand they were voting on a tax increase.

Governor DeWine vetoed this provision. The veto was subsequently overridden. Beginning on January 1, 2026, entities have been unable to utilize this levy type. The veto override also resulted in the elimination of several levy types unique to school districts.

Property Tax Credits
The budget made three changes pertaining to the property tax credit programs (the homestead exemption, the non-business credit, and the owner-occupancy credit). Two changes are substantial and the third is administrative.

<u>Local Permissive Options</u>
The state operating budget created two permissive tax relief options that boards of county commissioners can put in place.

These are the piggyback homestead exemption, in which existing homestead exemption recipients receive a doubling of their homestead exemption amount, and the piggyback owner-occupancy credit, in which owner-occupied properties receive an extra credit on qualifying levies of up to 2.50%.

Each option can be authorized for a single year or for multiple years. Options authorized before July 1 take effect for the current tax year, while those authorized on or after July 1 take effect the following tax year.

The permissive options affect all the levies in the county's borders, not just those levied by the county or county entities (in the case of the owner-occupancy credit, only qualifying levies).

County Advisory Bulletin 2025-10 provides a more in-depth review of these permissive options.

<u>Credit Screening System</u>
The budget required the Department of Taxation to create a database and screening system to ensure that property owners who receive any of the credits are properly eligible. Some

homeowners have reportedly received a homestead exemption on multiple properties, which is not allowed under the Revised Code.

County Budget Commission
The budget empowered the county budget commission (CBC) in each county with new authorities. This is notable to commissioners for two reasons: first, as the taxing authority for many property tax levies; and second, since a commissioner is now the designated alternate for the county prosecutor if the prosecutor recuses themselves.

The tax budgets that entities must submit to the CBC must now include more information, including an affirmative statement that the entity intends to collect new revenue from the growth of inside millage.

The CBC gained the ability to consider more budget accounts when reviewing tax budgets and determining whether or not to reduce a taxing entity's property tax levies. For counties, these newly considerable funds are budget stabilization funds, nonexpendable trust funds, capital improvement accounts and reserve balance accounts maintained by DD boards, and unexpended funds that had been appropriated for the collection of delinquent taxes.

Taxing entities can also voluntarily request that the CBC reduce collections on a levy.

More focus would be paid to the budget commission in standalone bills.

Reforms: Property Tax Quintet
Concurrent with the budget process, the General Assembly worked on five other bills that were signed into law in December 2025.

This quintet of bills each touched upon different aspects of the property tax system and, taken together with the budget provisions that several built upon, amounted to the most substantial reform of Ohio's property tax system since the 1970s.

House Bill 124
HB 124 is the simplest of the quintet. It required that county auditors provide the Department of Taxation with the data used for the "sales ratio" analysis that guides how property values are set during the triennial update. The new law gives county auditors more influence on the property values in their county.

House Bill 129
Briefly, the 20-mill floor is a property tax mechanism that ensures school districts generate at least 20 mills of local operating revenue. Districts at the 20-mill floor do not have their voted operating levies subject to reduction factors.

HB 129 incorporates additional levy types in the calculation of the 20-mill floor. By including these other levy types in the calculation, some districts will no longer be on the floor. The levies for these districts will then be subject to reduction factors like other voted levies.

House Bill 186

HB 186 created an inflationary cap on the growth of revenue from the school district 20-mill floor. When a district is on the floor, the floor levies will now have their revenue growth constrained by inflation. This will allow for revenue growth while limiting property tax spikes.

The bill also included an appropriation for districts in counties that went through their reappraisal or update in 2023 and 2024 since, due to bill's temporary credit, these districts would have received less tax revenue than they had in the prior year.

The bill also reformed the non-business credit and the owner-occupancy credit by phasing out the non-business credit for all properties other than agricultural use while increasing the owner-occupancy credit. The full transition will be complete in SFY 2029, following the table below.

Tax Year	Non-Business Credit Rate (Agricultural Property)	Non-Business Credit Rate (All Other Property)	Owner Occupancy Credit Rate
TY 2025	10%	10.0%	2.50%
TY 2026	10%	7.5%	5.70%
TY 2027	10%	5.0%	8.92%
TY 2028	10%	2.5%	12.15%
TY 2029 Onwards	10%	0%	15.38%

House Bill 309
HB 309 built upon the county budget commission provisions in the operating budget, largely by moderating provisions that Governor DeWine vetoed out of the budget.

The CBC is given more authority to reduce voted levies to ensure that they do not generate "unnecessary" or "excessive" collections. This provision was vetoed from the budget due, in part, to the terms being undefined. HB 309 defines them as follows:

- *Unnecessary*: Beyond the reasonably anticipated financial needs of the taxing authority for the specific purpose of the tax, after accounting for current fund balances, projected expenditures, and other available funding sources.

- *Excessive*: An amount or rate that exceeds what is required to provide services at a level consistent with the taxing authority's statutory obligations.

When considering a levy for the use of majority-elected taxing units, the CBC is limited in their ability reduce the levy to no less than what the levy collected in the prior year. However, if the CBC finds that the entity has enough in reserve (see above about the newly reviewable fund accounts), it can reduce the levy below the prior year's collection.

House Bill 335
HB 335 creates an inflation cap on inside millage in the same manner that HB 186 creates one for the school district 20-mill floor. The cap will be calculated to limit increases in inside millage revenue to the cumulative rate of inflation over the prior three years.

The Legislative Service Commission estimates that the cap will result in between $152 million and $176 million in foregone revenue for counties over the next three tax years.

The Abolishment Campaign

A campaign to place on the ballot an amendment to the Ohio Constitution that would prohibit property taxes has been gathering signatures since May 2025. Citizen-initiated amendments can only be voted on at November elections.

Ballot campaigns need a number of valid signatures equal to at least 10% of the votes cast in the prior gubernatorial election. Additionally, they need 5% of the vote count in at least 44 out of the 88 counties.

The abolishment campaign was unable to secure the 413,488 valid signatures needed to place the amendment on this year's November ballot, so they have shifted to aiming for the November 2027 ballot.

Since the signature thresholds are based on turnout in the most recent gubernatorial election and 2026 is a gubernatorial election year, the threshold will change. If turnout is lower, the statewide signature threshold will decrease as well.

Turnout will vary across the state, so the individual county thresholds will likely increase in some and decrease in others.

When the Secretary of State's office is validating signatures, it validates them against the most recent voter registration database, not the database that existed at the time of signing. There are two main ways that signatures become invalid.

First is when a signer falls off the voter rolls. That could happen due to inactivity, due to moving out of state, or due to the signer passing away.

Second is when a signer updates their registration. If their updated registration does not match the information they provided when they signed the petition, such as due to an address change or a name change, their signature is invalid.

The validation threshold is also difficult to meet. The average validity rate of statewide citizen-initiated ballot measures over the past decade is about 59%. Under the current threshold, that would require a campaign to submit about 704,000 signatures to meet the required 413,488 valid requirement.

Closing

This is the third of the three-part series giving an overview of the property tax system, recently enacted laws, and information about potential abolishment of the tax.

The other parts were in the August 28 and the September 4 issues.

Legislative Activity

Introduction of Bills

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

- House Bill 1001 (Representative Johnathan Newman): To disallow property taxes from being a lien on property and instead requiring them to be the personal liability of the property owner, to require county treasurers to abate delinquent taxes on property owned by senior citizens or certain disabled veterans, and to name this act the Private Property Protection Act
- House Bill 1003 (Representatives Desiree Tims and Dontavious Jarrells): Regarding institutional investors bidding on, and the use of federal depreciation and interest deductions against the state income tax with respect to, certain residential property and to name this act the Neighborhood Protection Act.
- House Joint Resolution 10 (Representatives Jeff LaRe and Kevin Miller): To enact Section2b of Article XII of the Constitution of the State of Ohio to partially exempt the increased value of owner-occupied residences from taxation.