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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

H.B. 309
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. D. Thomas

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SUMMARY

Tax budgets

- Requires a public body that levies property taxes and that does not currently submit information to a different body for inclusion in its tax budget to submit a tax budget to a county budget commission (CBC) on its own behalf by changing the definition of “taxing authority” to encompass such bodies.¹
- Requires each health district that does not file an estimate of contemplated revenue and expenditures with a taxing authority for inclusion in that taxing authority’s tax budget to submit a tax budget on its own behalf.²
- Requires a tax budget to include an estimate of estimated expenses through the end of the fiscal year in which it is submitted.³
- Requires a taxing unit that anticipates increased revenue collections on inside millage due to increased valuations or because of the 20-mill floor to state in its tax budget an intent to collect or forgo the increased revenue.⁴
- Requires the CBC to reduce levy rates accordingly if the taxing unit opts to forgo the increased revenue, and prevents a school district from losing state funding if the request results in the district levying total current expense levies of less than 20 mills.⁵

¹ R.C. 5705.01(C).

² R.C. 5705.28(E).

³ R.C. 5705.29(A)(5).

⁴ R.C. 5705.29(E).

⁵ R.C. 3317.01 and 5705.32(B).

- Requires a CBC to examine the need for amounts proposed to be raised from property taxes when a tax budget is submitted.⁶

CBC levy adjustments

- With respect to certain levies that a CBC is currently required to authorize without modification after confirming they are properly authorized:
 - Limits a requirement that all levies in excess of the 10-mill limitation (voted levies) be approved without modification to apply only to the first year of collection, with additional allowance for reduction of renewal levies and years when the taxing unit specifically requests a lower amount.
 - Provides that a request for a lower rate with respect to voted levies applies only to the succeeding fiscal year unless specifically stated otherwise in the request.
 - Limits approval without modification of unvoted (“inside”) millage levies for debt charges to those necessary for unsatisfied debt charges, and applies that standard to all levies, rather than inside millage only, as under current law.
 - Explicitly states that a request by a political subdivision for a reduced rate or reduced guaranteed inside millage applies only to the succeeding fiscal year unless stated otherwise in the request.⁷
- With respect to a levy that collects a fixed sum each year, requires the CBC to annually adjust the levy’s effective tax rate to ensure the sum approved by voters will be raised.⁸
- With respect to any levy for which CBC authority to reduce is not specifically limited:
 - Requires a CBC to hold a hearing anytime the unencumbered balance estimated to remain in a fund at the end of a fiscal year exceeds 30% of the estimated expenses from that fund to determine if levies deposited into the fund should be reduced to avoid excessive collections.
 - Authorizes the taxing authority to present its position as to whether the levy should be reduced and provide evidence supporting that position.
 - Allows a CBC to reduce a levy following the hearing such that collections are reduced up to the amount by which the estimated balance for a fund exceeds 30% of the estimated expenses from the fund in that year.
 - Prohibits the CBC from reducing a school district’s levies for operating expenses to less than 20 mills.⁹

⁶ R.C. 5705.31.

⁷ R.C. 5705.31(A), (B), and (D).

⁸ R.C. 5705.32(B).

⁹ R.C. 5705.32(C).

CBC meetings

- Authorizes a CBC to meet by means of video conference or teleconference.
- Requires each CBC to adopt rules with respect to equipment, procedures, and guidelines, that ensure verification of the identity of members attending CBC meetings by use of communications equipment.¹⁰

CBC appeals

- Places the burden of proof on a taxing unit to show the need for additional revenue when challenging any levy reductions made by the CBC before the Board of Tax Appeals (BTA).
- Requires the BTA to render a decision on a CBC challenge by a taxing unit within the same calendar year the appeal is filed.¹¹

County levy procedure

- Requires boards of county commissioners to seek the recommendation of the CBC as to whether a tax should be submitted to the electors before doing so.¹²

LGF and PLF alternate formula approvals

- No longer requires the largest municipality in a county to approve use of a countywide alternate formula for distributing county allocations from the Local Government Fund (LGF) or Public Library Fund (PLF).
- Requires that only a majority of the libraries and other subdivisions fixed an allocation under the existing county PLF formula approve a new, alternate formula, instead of the majority of all townships and municipalities in the county.¹³

HISTORY

Action	Date
Introduced	05-27-25

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¹⁰ R.C. 5705.27, and R.C. 121.22(C), not in the bill.

¹¹ R.C. 5705.37.

¹² R.C. 5705.03.

¹³ R.C. 5705.321 and 5747.53.