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# OHIO LEGISLATIVE SERVICE COMMISSION

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## Substitute Bill Comparative Synopsis

**Sub. H.B. 309**

**136<sup>th</sup> General Assembly**

House Ways and Means

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (I_136_0632-1)	Latest Version (I_136_0632-3)
<b>CBC responsibility and authority</b>	
With respect to certain levies that a county budget commission (CBC) is required to authorize without modification after confirming they are properly authorized:	
<ul style="list-style-type: none"><li>Limits a requirement that all levies in excess of the 10-mill limitation (voted levies) be approved without modification so it applies only in the first year of collection, and does not apply at all to renewal levies or years when the taxing unit specifically requests a lower amount.</li></ul>	Limits the requirement to the first year of collection unless the levy is a renewal levy (the provision regarding requests for lower amounts was enacted in H.B. 96 of the 136 <sup>th</sup> General Assembly (“the budget”).
<ul style="list-style-type: none"><li>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.</li></ul>	No provision (enacted in the budget).
<ul style="list-style-type: none"><li>Limits approval without modification of unvoted (“inside”) millage levies for debt charges to those necessary for</li></ul>	No provision (enacted in the budget).

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<p>unsatisfied debt charges, and applies that standard to all levies, rather than inside millage only, as under current law.</p> <ul style="list-style-type: none"> <li>▪ 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.</li> </ul> <p><i>(R.C. 5705.31.)</i></p> <p>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 <i>(R.C. 5705.32(B)).</i></p> <p>Authorizes a taxing authority to present its position as to whether the levy should be reduced and provide evidence supporting that position <i>(R.C. 5705.32(B)).</i></p> <p>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 for that year <i>(R.C. 5705.32(B)).</i></p> <p>Prohibits a CBC from reducing a school district's levies for operating expenses to less than 20 mills <i>(R.C. 5705.32(B)).</i></p>	<p>No provision (enacted in the budget).</p> <p>Instead allows a CBC to reduce millage on any voter-approved tax levy aside from a debt levy if it finds it reasonably necessary or prudent to avoid unnecessary, excessive, or unneeded property tax collections <i>(R.C. 5705.32(B)).</i></p> <p>No provision.</p> <p>Instead allows a CBC to reduce millage on any voter-approved tax levy aside from a debt levy if it finds it reasonably necessary or prudent to avoid unnecessary, excessive, or unneeded property tax collections <i>(R.C. 5705.32(B)).</i></p> <p>Same, but also prohibits any levy collected by a majority-elected body from being reduced to collect less revenue than in the preceding year unless funds are available from reserve balance accounts, nonexpendable trust funds, or carryover amounts to offset a reduction below that level, but the budget commission must consider those funds and amounts when considering a reduction <i>(R.C. 5705.32(B)(1) and (2)).</i></p>
<b>Tax budgets</b>	
Requires a public body that levies property taxes and that does not currently submit information	No provision (enacted in the budget).

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to a different body for inclusion in a tax budget to submit a tax budget to the county budget commission on its own behalf by changing the definition of “taxing authority” to encompass such bodies ( <i>R.C. 5705.01(C)</i> ).	
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 ( <i>R.C. 5705.28(E)</i> ).	No provision (enacted in the budget).
Requires a tax budget to include an estimate of expenses through the end of the fiscal year in which it is submitted ( <i>R.C. 5705.29(A)(5)</i> ).	No provision (enacted in the budget).
Requires a taxing unit that anticipates increased revenue collections on inside millage due to increased valuations or that anticipates increased revenue collections due to the 20-mill floor to state its intent to collect or forgo the increased revenue ( <i>R.C. 5705.29(E)</i> ).	No provision (enacted in the budget).
Requires a CBC to adjust levy rates accordingly if the taxing unit opts to forgo the increased revenue and prevents a school district from losing state education funding if the request results in the district levying total current expense levies of less than 20 mills ( <i>R.C. 3317.01 and 5705.32(B)</i> ).	Does not include the required adjustment, as that provision was enacted in the budget, but does include the safe harbor for school districts that levy less than 20 mills due to the request as that provision was vetoed ( <i>R.C. 3317.01 and 5705.32(A)</i> ).
Requires a CBC to examine the need for amounts proposed to be raised from property taxes when a tax budget is submitted ( <i>R.C. 5705.31</i> ).	No provision (enacted in the budget).
Allows a school district to submit a five-year forecast as a supplemental document to its tax budget and requires a CBC to review any included projection ( <i>R.C. 5705.31(A) and 5705.391(E)</i> ).	No provision (a similar provision was enacted in the budget).
<b>CBC composition</b>	
Allows any of the members of a CBC, the county auditor, treasurer, or prosecutor, to appoint a designee to serve in their place ( <i>R.C. 5705.27</i> ).	No provision.

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<b>Levy certification</b>	
Requires the Tax Commissioner to annually certify to each county auditor the necessary rate adjustments to nondebt fixed-sum levies to keep the collected sums steady and requires auditors to apply the rates ( <i>R.C. 5705.60</i> ).	Same (the budget included a similar provision, which was vetoed) ( <i>R.C. 5705.60</i> ).
<b>Appeals</b>	
Places the burden of proof on a taxing unit to show the need for additional revenue to meet expenses in the ensuing fiscal year when challenging, before the Board of Tax Appeals (BTA), any levy reductions made by the CBC ( <i>R.C. 5705.37</i> ).	No provision (enacted in the budget).
Requires the BTA to render a decision on such a challenge in the same calendar year it is filed ( <i>R.C. 5705.37</i> ).	No provision.
<b>County levy procedure</b>	
Requires boards of county commissioners to seek the recommendation of the CBC as to whether a tax should be submitted to the county's electors before submitting it ( <i>R.C. 5705.03</i> ).	No provision.
<b>LGF and PLF alternate formula approvals</b>	
Eliminates a requirement that the largest municipality in a county approve use of a countywide alternate formula for distributing county allocations from the Local Government Fund or Public Library Fund (PLF) ( <i>R.C. 5705.321 and 5747.53</i> ).	No provision.
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 ( <i>R.C. 5705.321</i> ).	No provision.

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