



# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

## Substitute Bill Comparative Synopsis

**Sub. H.B. 335**

**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_1566-1)	Latest Version (I_136_1918-1)
<b>Inside millage limits</b>	
Beginning for tax year 2025, does all of the following respecting inside millage: <ul style="list-style-type: none"><li>▪ Except for townships, disallows the levy of inside millage, including inside millage debt levies. As part of that disallowance, repeals special inside millage levies authorized under current law, e.g., county levies for roads, veterans service commissions, and soil and water conservation districts and municipal levies for police and fire pension payments.</li></ul>	No provision.

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<ul style="list-style-type: none"> <li>▪ Allows townships to continue to levy inside millage but limits the rate they may levy to no more than the aggregate rate they levied in tax year 2024.</li> <li>▪ Allows townships to levy the inside millage for any currently lawful purpose, e.g., current expenses, permanent improvement, cemeteries, roads, and debt.</li> <li>▪ Guarantees against county budget commission reduction the same share of township inside millage shielded from reduction under current law, i.e., two-thirds of the inside millage they levied in the last five years of the 15-mill limitation back in the 1920s.</li> <li>▪ Makes several conforming changes to remove the concept of non-township inside millage from procedures related to levy law and debt limits.</li> <li>▪ Repeals authority for a township park district to levy up to one inside mill but increases the millage the district can submit to voters at one time from two to three mills.</li> <li>▪ Waives, until tax year 2027, the requirement that schools levy at least 20 mills in property and converted income taxes as a condition of receiving state foundation funding.</li> </ul> <p><i>(R.C. 511.27, 3317.01, 5705.02 and 5705.31, with conforming changes in R.C. 118.03, 118.15, 133.01, 133.18, 133.25, 306.40, 307.201, , 323.152, 345.01, 345.05, 345.07, 511.18, 511.28, 511.34, 513.13, 513.18, 703.372, 725.01, 725.05, 725.07, 725.09, 742.33, 742.34, 742.54 (repealed), 757.01, 759.341, 940.05, 940.08, 940.12 (repealed), 940.15, 940.33, 1545.041, 1545.16, 1545.20 (repealed), 1545.21, 1545.40, 3311.20, 3311.21, 3315.10, 3318.06, 3318.062, 3318.36, 3318.45, 3349.13 (repealed), 3349.25, 3354.11, 3354.12, 3355.08, 3355.09, 3357.021, 3357.11, 3358.11, 3381.08, 3381.16,</i></p>	

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<p>3709.29, 5555.44, 5555.48, 5555.49 (repealed), 5555.50, 5555.91 (repealed), 5555.92 (repealed), 5705.03, 5705.04, 5705.05, 5705.06, 5705.07 (repealed), 5705.10, 5705.18, 5705.19, 5705.191, 5705.192, 5705.194, 5705.196, 5705.197, 5705.199, 5705.20, 5705.21, 5705.212, 5705.213, 5705.215, 5705.217, 5705.218, 5705.2111, 5705.2112, 5705.2113, 5705.2114, 5705.22, 5705.221, 5705.222, 5705.23, 5705.233, 5705.24, 5705.25, 5705.251, 5705.26, 5705.28, 5705.29, 5705.311 (repealed), 5705.312 (repealed), 5705.313 (repealed), 5705.314 (repealed), 5705.315 (repealed), 5705.34, 5705.341, 5705.35, 5705.37, 5705.51, 5705.55, 5705.72, 5709.40, 5709.42, 5709.43, 5709.45, 5709.46, 5709.47, 5709.73, 5709.74, 5709.75, 5709.78, 5709.913 (repealed), 5747.51, 5747.52, 5748.02, 5748.04, 5748.08, 5748.09, 5901.11, 6109.18, 6115.45, 6115.46, 6115.49, 6119.17, 6119.18, 6119.31, 6119.32, and 6119.36.)</p> <p>No provision.</p>	<p>Beginning for tax year 2026, requires each county budget commission (CBC), in the county's reappraisal or update year, to adjust the rate of each inside millage levy so as to limit any increase in revenue to 3% over the preceding year.</p> <p>If a taxing unit's inside millage collections would not increase in a reappraisal year, allows the unit to request that the CBC increase the levy rate so as to collect the same amount as the previous year.</p> <p>Allows a taxing unit that elects to temporarily reduce an inside millage levy to base the calculation of the bill's limit in subsequent years on the collections of the year preceding the voluntary reduction. (R.C. 5705.31 and 5705.316; Section 3.)</p>

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<b>School district property taxes</b>	
Requires all current expense fixed-sum levies to be included in the calculation of a school district's 20-mill floor for property tax purposes ( <i>R.C. 319.301; Section 4(A)</i> ).	No provision.
Changes the name and purpose of a school district emergency levy, such that the levy must be referred to as a "fixed-sum levy" and can expressly only be levied for the district's current expenses, rather than for "emergency" purposes and disallows the renewal of such levies ( <i>R.C. 5705.194; Section 4(B)</i> ).	No provision.
Prohibits school districts from submitting new substitute levies to voters ( <i>R.C. 5705.199</i> ).	No provision.
Authorizes a property tax credit for the owners of property located in a school district on the 20-mill floor property tax floor, with the goal of limiting a district's total property tax revenue growth from the floor to the rate of inflation ( <i>R.C. 319.303, with conforming changes in 319.301, 323.08, 323.152, 323.155, 323.158, 4503.06, 4503.065, and 4503.0610; Section 4(C)</i> ).	No provision.
<b>Local option homestead exemption</b>	
Authorizes a county to offer a property tax exemption that would "piggy-back" on the existing state homestead exemption ( <i>R.C. 319.304, with conforming changes in R.C. 323.152, 323.155, 323.158, 4503.06, and 4503.0610</i> ).	No provision.

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<b>County budget commissions</b>	
Limits a requirement that all levies in excess of the ten-mill limitation (voted levies) be approved by a county budget commission (CBC) 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 ( <i>R.C. 5705.31(A)</i> ).	No provision.
Limits approval without modification of inside millage for debt charges to those necessary for unsatisfied debt charges, and applies that standard to all levies, rather than inside millage only ( <i>R.C. 5705.31(B)</i> ).	No provision.
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.	No provision.
Requires a taxing unit that anticipates increased revenue collections on inside millage to state in its tax budget an intent to collect or forgo the increased revenue and requires the CBC to reduce levy rates accordingly if the taxing unit opts to forgo the increased revenue. ( <i>R.C. 5705.32(A) and (B)</i> .)	
Requires boards of county commissioners to seek the recommendation of the CBC as to whether a tax should be submitted to electors before doing so ( <i>R.C. 5705.03(B)(3)</i> ).	No provision.
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).	No provision.

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Requires the BTA to render a decision on a CBC challenge by a taxing unit within the same calendar year in which the appeal is filed. ( <i>R.C. 5705.37.</i> )	
<b>LGF and PLF alternate formula approvals</b>	
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) ( <i>R.C. 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. 5747.321.</i> )	No provision.
<b>Fixed-sum levy adjustments</b>	
Requires the Tax Commissioner to annually compute and certify to county auditors the adjusted rate of levies that are designed to raise a set amount of money each year (“fixed-sum levies”) and requires county auditors to apply those rates, while accounting for further reductions to account for state tangible personal property tax payments made to the subdivision ( <i>R.C. 5705.60.</i> )	No provision.
<b>County sales and use taxes</b>	
Authorizes a county to levy an additional sales and use tax of up to 1% for the purpose of funding its general operations ( <i>R.C. 5739.026.</i> )	No provision.