
COUNTY AUDITORS' ASSOCIATION OF OHIO

AUDITOR BUDGET ISSUES

Am. Sub. HB 96
Final Version
Passed June 25, 2025

LOCCD25 Pay raises

R.C. 141.04, 325.18, 505.24, 507.09, 3501.12, and Section 701.70

- Increases and extends pay raises for justices and judges, county officials, township officials, and members of county boards of elections, from 1.75% per year through 2028 under current law to 5% per year through 2029.

Fiscal effect: JSC will incur increased GRF expenditures averaging approximately \$9.0 million per year over the 4-year period covering 2026, 2027, 2028, and 2029. For 2030-2035, during which current law does not provide for any salary increases, the additional expenditures for JSC over current law total about \$29.4 million per year on average. There will also be increased payroll expenditures for county, township, and county boards of elections.

LOCCD15 County employee performance incentive - cash awards

R.C. 325.25

- Limits the total amount of cash awards county agencies may give to employees for outstanding performance per calendar year to 10% of an employee's annual compensation. Allows commissioners to approve a higher amount if they authorize it in writing.

LOCCD7 Elected county officers to be present in office

R.C. 305.03

- Requires elected county officers to appear in person at the officer's principal office location at least once every 30 days. Reduces the number of days until a county treasurer's or county auditor's office is declared vacant because they fail to perform the duties of the office from 90 to 30 days.

Fiscal effect: Minimal.

(VETOED) TAXCD91 School district property tax reductions and school funding; 20-mill minimum levy -

R.C. 323.131, 3317.01, 4503.06, 5705.31, 5705.316, and Section 757.110

- Requires each city, local, and exempted village school district to submit the certificate of available revenue required under R.C. 5705.36 to the county auditor by July 15 of each year. Requires each county budget commission to meet by August 15 of each year to determine whether a district's general operating budget carryover balance from the previous fiscal year exceeds 40% of total expenditures made in that fiscal year.
- If the district's carryover balance does exceed the 40% threshold, requires the budget commission to reduce the property taxes levied by the district for current expenses in the following tax year by the amount of the excess. Requires an applicable property tax bill to include a notice stating that the school district property tax reduction is for the current year only and due to the district's excess carryover balance.

- Reduces, in tiers, the amount by which tax collections are reduced for districts with a carry-over balance of less than \$10 million.
- Exempts districts with a per pupil spending that is less than 80% of the state average and a carryover balance below a 50% threshold.
- Provides a special timeline for making fiscal year 2025 reviews and tax year 2025 rate adjustments by requiring the budget commission to meet by October 31, 2025.
- Exempts a school district whose levies have been reduced by the county budget commission from the requirement that it levy at least 20 mills to receive state foundation aid.
- Exempts an island school district or a joint state school district from the carryover balance review and related property tax reductions.
 - Replaces the House provision with one that allows the county prosecutor to recuse the county prosecutor from the three-member county budget commission, to be replaced by a county commissioner

Fiscal effect: May reduce tax collections for school districts by up to several billion dollars over a multi-year period, depending on the value of excess carryover balances.

Same as the House, but reduces the tax revenue loss, particularly for school districts with less than \$10 million in carry-over balances net of planned permanent improvement expenses.

**PENCD5 Precinct election officials excluded from PERS **

R.C. 145.012

- Excludes from PERS membership a person whose only service as a public employee is, and who receives any compensation for service during a calendar year as, a precinct election official.
- Reduces employer contribution costs for county boards of elections by excluding all precinct election officials (PEOs) from PERS membership. Under current law, only PEOs earning below \$600 in a calendar year (\$1,000 during years with multiple primary and general elections) are excluded.
- Same as the House but further excludes ANY service as a precinct election official from PERS membership.

TAXCD78 Manufactured home tax waivers or refunds for damage or destruction –

R.C. 4503.0611

- Authorizes manufactured home park operators to provide the county auditor with notice that a manufactured home has been damaged or destroyed for purpose of initiating a refund or waiver of taxes on the manufactured home. Requires such notice from a manufactured home park operator to include photographic evidence.
- May reduce property tax revenue for local governments if additional refunds or waivers are granted for damaged or destroyed manufactured homes.

LOCCD20 County engineer

R.C. 305.021

- Changes, from 100% to a range of 80-100%, the supplemental compensation amount a county engineer can receive under a contract to perform the duties of county engineer in another county during a vacancy.

Fiscal effect: Potential cost savings for counties contracting with an engineer during a vacancy.

TAXCD88 Limitations on property tax challenges

R.C. 5715.19, 5717.01; Section 757.90

- Modifies the requirements governing when political subdivisions can file property tax complaints and counter-complaints.
- Allows a subdivision to file a complaint if during the previous two years either (a) a conveyance fee statement is filed or (b) a sale was recorded with the county recorder.

Fiscal effect: Minimal.

TAXCD82 Property tax abatement – churches

Section: 757.70

- Permits certain churches to apply, within one year of the provision's effective date, for an abatement of delinquent property taxes on property owned by the churches without regard to the regular payment limitations imposed by current law.

Fiscal effect: Decreases property tax collections by an amount that depends on the value of abated taxes, interest, and penalties, whether or not said amounts would have been paid otherwise.

TAXCD81 Property tax abatement - municipalities and townships

Section: 757.80


- Permits a municipal corporation or township to apply, within one year of the provision's effective date, for an abatement of delinquent property taxes on property owned by the municipality or township without regard to the regular payment limitations imposed by current law.


Fiscal effect: Decreases property tax collections by an amount that depends on the value of abated taxes, interest, and penalties, whether or not said amounts would have been paid otherwise.

~~(METOED) TAXCD110 Property taxes: County budget commission authority and procedure~~

R.C. 5705.13, 5705.131-5705.132, 5705.222, 5705.27, 5705.29, 5705.31, 5705.314, 5705.32-5705.321, 5705.35-5705.36, 5705.40, and 5747.51


- Allows county budget commissions (CBCs) to reduce millage on any voter-approved tax levy aside from a debt levy if the commission finds it reasonably necessary or prudent to avoid unnecessary, excessive, or unneeded property tax collections.
 - Allows CBCs to reduce millage by request of the taxing authority and limits mandatory approval for debt levies to those that remain necessary to pay unsatisfied debt.
- If the tax is levied by a body with a majority of members who are elected local officials, any such reduction is subject to two limitations:
- CBCs may not reduce a levy such that it would 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 reserve balance accounts, nonexpendable trust funds, and carryover amounts when considering a reduction.
- CBCs may not reduce school district levies such that the school district would collect below 20 mills in revenue, except as required to comply with the provision (see TAXCD91) limiting accrual of general fund carry-overs.
- Removes prohibitions on CBCs considering the status of reserve balance accounts or other certain unexpended funds when determining whether to reduce a political subdivision's taxing authority.
- Requires school districts to obtain approval from the county budget commission before adjusting inside millage in a manner that increases tax rates.


- 
- Requires CBCs to offer, during at least one public meeting annually, testimony describing the concept and function of inside millage, how it is allocated to various jurisdictions in the county, and the fiscal impact of inside millage.
 - Requires political subdivisions to disclose all funds in their control the inclusion of which is not already required by law for annual tax budgets.
 - Requires all public bodies that levy taxes and that do not submit information to a different body for inclusion in its tax budget to submit tax budgets on their own behalf.
 - Requires health districts that don't file revenue and expense information for inclusion in another taxing authority's tax budget to file their own
 - Requires all taxing authorities that levy property taxes to submit a tax budget that includes an estimate of expenses through the end of the current fiscal year and, when relevant, a stated intent to collect all or some of the projected increased revenue from property inflation or the 20-mill floor.
 - Places the burden of proof on a taxing authority to show the need for additional revenue when challenging any levy reductions made by the CBC before the Board of Tax Appeals (BTA).
 - Transfers the responsibility of annually adjusting the rate of fixed-sum levies from county auditors to the Tax Commissioner and requires auditors to apply the adjusted rates.
 - Requires CBCs to reduce levy rates when a taxing authority forgoes increased revenues due to property inflation and prevents school districts from losing state funding for forgoing revenue.
 - Allows school districts to submit projections of revenue and expenses with their tax budgets.
 - Requires CBCs to consider a school district's submitted projections of revenues and expenditures when reviewing the district's tax budget

 *Fiscal effect:* Provides county budget commissions greater discretion in reducing political subdivisions' property tax collections when the commission finds it prudent to avoid certain property tax collections.

TAXCD116 Property tax reduction screening system

R.C. 319.202, 5323.02, 5703.21, and 5703.83; Section 757.150

- 
- Creates a statewide screening system administered by TAX to evaluate the eligibility of owners of real property and manufactured and mobile homes that receive the 2.5% owner-occupancy credit or a homestead exemption.
 - Provides an amnesty from any charges, penalties, or interest in the first year of the system's operation for taxpayers found to be ineligible for a reduction unless the county auditor determines the reduction was procured through fraud, a false statement, or a knowing omission.
 - Requires, during the amnesty year, tax bills to notify recipients of the homestead exemption or owner-occupancy credit that they are eligible for amnesty if they self-report their ineligibility within that year.
 - Requires TAX to annually report to the General Assembly the number of properties whose ineligibility was flagged by the system.
 - Requires potential homeowners be advised of the eligibility requirements for the owner-occupancy credit and of the duty to report subsequent ineligibility prior to signing closing documents.

 *Fiscal effect:* No fiscal effect on local property tax receipts, but potentially a decrease in GRF expenditures, as these property tax relief programs are fully reimbursed by the GRF.

(VETOED) TAXCD107 20-mill floor property tax limit

R.C. 319.301, Section 801.280

- Requires that emergency and substitute tax levies be included in the calculation of a school district's 20-mill floor or a joint vocational school district's 2-mill floor for property tax purposes. Applies the millage floor changes to tax years beginning on and after the bill's 90-day effective date.
 - Includes incremental growth levies, conversion levies, and the property tax portion of combined income tax and property tax levies in the 20- mill floor calculation.
 - Clarifies that, when a school district on the 20-mill floor levies additional current
 - expense millage or additional millage is otherwise added to the floor, then, for the first tax year it is levied or added, the tax reduction factor must be computed as though the new millage is added to the millage floor.

Fiscal effect: Lowers the number of school districts on the 20-mill floor and potentially lowers the number of joint vocational school districts on the 2-mill floor. These floor districts' property tax revenue growth rates as a result of increases in property values will be reduced as their current expense levies will be subject to H.B. 920 tax reduction factors. These districts' property tax collections may be reduced by tens of millions to over a hundred million dollars annually. The state's GRF expenditures for related property tax reimbursement payments may be reduced by millions to over ten million of dollars annually.

RDFCD11 Homestead exemptions: increase and expansion

R.C. 323.152, 4503.065, Sections 387.10, 757.130

- Allows counties to offer a property tax exemption that would "piggy-back" on the existing state homestead exemption. Specifies that the exemption would be available to the same homeowners who meet the means test for the existing state exemption, and offer the same benefit amount, as the state exemption. Requires the board of county commissioners to authorize the exemption by resolution.
- Allows the board of county commissioners to authorize by resolution a tax exemption for owner-occupied homes that would "piggyback" on the existing state 2.5% property tax rollback. Permits the locally authorized credit to equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home.

Fiscal effect: Potential revenue loss to local taxing authorities depending on the discretion of the respective Boards of County Commissioners. The "piggy-back" homestead exemption and "piggy-back" owner-occupied tax credit authorized by local officials is not reimbursed by the state.

(VETOED) TAXCD104 Property tax levies – SENATE VERSION -AMENDED

R.C. 133.18, 306.32, 306.322, 319.301-319.302, 345.01,

- Eliminates the authority of political subdivisions to levy replacement property tax levies, beginning with elections held on or after January 1, 2026.
- Eliminates the authority of a school district to levy a fixed-sum emergency levy, a substitute emergency levy, and a combined school district income tax and fixed-sum property tax levy.
- Prohibits a school district from submitting any current expense levy to voters if it has a general fund carry-over balance of more than 100% of general fund expenditures in the preceding fiscal year. Modifies the election notices and ballot language for a school district current expense levy to include the percentage and amount of any such general fund carry-over balance. Applies beginning with elections held on or after January 1, 2026.

- Same as the Senate, but excludes renewal levies from the prohibition on a school district with a carry-over balance exceeding 100% from submitting any current expense levies to voters. Allows a district to exclude funds to be used within the next three years on permanent improvements from the carryover balance calculation.
- Disallows, beginning for elections held on or after January 1, 2026, a school district or other education-related taxing authority to submit to electors the question of whether to renew and increase an existing levy.
- Changes, beginning with elections held on or after January 1, 2026, the term employed in property tax ballot language and election notices to describe the true value of property from "the county auditor's appraised value" to "market value."
 - Same as the Senate, but changes the term to "the county auditor's market value."

Fiscal effect: Limits the levy options school districts and other political subdivisions may use to raise property tax revenue to fund their operations.

TAXCD87 Transformational mixed use development tax credits –
R.C. 122.09

- Replaces the House version with one that increases the annual cap for TMUD tax credit awards from \$100 million to \$150 million, beginning in FY 2026. Prohibits the award of the credit after FY 2027 unless specifically authorized by an act of the General Assembly.
 - Same as the Senate, but increases the annual cap for TMUD tax credit awards from \$100 million to \$125 million per year, beginning in FY 2026.
- Transfers responsibility for reviewing and approving TMUD applications from the Ohio Tax Credit Authority to DEV.
- Allows the amount of previously awarded TMUD tax credits subsequently rescinded to be available for award again in the fiscal year following rescission
- Increases the reserved amount of credits for TMUD projects located more than 10 miles from a major city from \$20 million, as under current law, to \$50 million plus one-third of any tax credits previously awarded but rescinded in the prior fiscal year.
 - Same as the Senate, but decreases the maximum limit to \$40 million of tax credits plus one-third of the amount of any credits for which preliminary approval was rescinded in the preceding fiscal year
- Increases the maximum amount of credits for TMUD projects within 10 miles of a major city each fiscal year from \$80 million, as under current law, to \$100 million plus two-thirds of any tax credits previously awarded but rescinded in the prior fiscal year and any amount reserved but not awarded for projects located more than ten miles from a major city.
 - Same as the Senate, but decreases the maximum limit to \$85 million of new tax credits plus two-thirds of the amount of any credits for which preliminary approval was rescinded in the preceding fiscal year.
- Reduces the maximum amount of tax credit that can be awarded for a single project from \$40 million to \$20 million.
- Expands costs eligible to be considered when determining credit amounts to include due diligence costs and construction hard and soft costs paid in connection with the project, and architectural and engineering fees and due diligence costs incurred before the project is certified by DEV.
- Eliminates the option for a portion of a project completed in phases to be considered transformational mixed use project so long as all phases together meet the definitional requirements.

- Replaces the current considerations for ranking applications which look to return on investment, considered according to projected tax collections against tax credits, economic impact, impact on physical features, and project timelines. The modified ranking system utilizes a point scale based on physical scope of projects, distribution of uses across projects, government approvals, local support, committed financing, lease or purchase commitments from end users, walkability, retail and restaurant sales to be generated, payroll to be generated, and taxes to be generated
- Requires the economic analysis completed for application ranking and credit calculation to exclude previously completed and future phases of a development and exclude consideration of any impact on the surrounding area.
- Allows persons with contracts to purchase project sites conditioned on the provisional award of a TMUD tax credit to apply for the award as if they owned the property.
- Changes the mix and number of uses required in the definition of "transformational mixed use development" from some combination of retail, office, residential, recreation, structured parking and other similar uses to at least two uses from office, residential, hotel and hospitality, recreation, and retail, which may include restaurants.
- Disqualifies a party from being considered to have contributed capital to a TMUD project without receiving anything in return.
- Increases projected payroll, which may be used as an alternative to a building size requirement for projects seeking TMUD credits within 10 miles of major cities, from \$4 million to \$5 million
- Makes several changes to the law regarding the initial issuance, sale, or transfer of TMUD credits: (1) Eliminates a requirement that credits be sold to raise capital for a project, allowing them to be sold for any purpose; (2) Allows credits to be sold by insurance companies that invest in a TMUD, as opposed to current law which only allows TMUD property owners to sell credits; (3) Allows credits to be sold more than once; (4) Eliminates a requirement that the appropriate state agency be notified when the right to claim credits is transferred or sold; (5) Expands, for credits approved after the effective date, the taxes TMUD tax credits may be claimed against to include the financial institutions tax and the income tax and eliminates a requirement that only insurance companies may claim TMUD tax credits. Credits approved before that date can still only be claimed against taxes on foreign and domestic insurance companies; (6) Allows applications for certification as a transformational mixed use development project to identify financial institutions and other persons, apart from property owners and insurance companies, that should be awarded tax credit certificates and allows a subsequent direct award to those persons; (7) Generally gives tax credit certificate holders an additional year within which to begin claiming the credits; and (8) Requires DEV to certify information about issued TMUD tax credit certificates to the Tax Commissioner, currently information is certified only to INS.
- Excludes projects located in a municipal corporation with a population of between 15,000 and 20,000 and that contains or is located within 2,000 feet of a NASA research facility and an airport with at least two runways that are each at least 9,000 feet from eligibility for the transformational mixed use development tax credit
- Excludes expenditures made before certification as a TMUD credit eligible project from being considered eligible expenditures upon which a tax credit may be calculated.
- Excludes any economic impact existing before certification of a project as TMUD tax credit eligible from inclusion in the required projection of increased economic impact
 - Excludes projects located in transformational major sports facility mixed-use project districts, which the bill creates, from eligibility for the transformational mixed use development tax credit. (See OBMCD51 for provisions related to stadium projects.)

- Includes new community authorities in the definition of "corporation" for purposes of the continuing law allowing a contract between a county and a corporation for the corporation to build and operate a sports facility funded by sales tax backed bonds.
- Provides that a new community authority is a political subdivision for purposes of a property tax exemption available for certain political-subdivision-owned sports facilities
-

Fiscal effect: The provision reduces future domestic and foreign insurance tax revenues up to \$300 million total, depending on the amount of TMUD tax credits awarded in FY 2026 and FY 2027. It is plausible that the associated state tax revenue losses would not begin until FY 2028.

The provision reduces future domestic and foreign insurance tax revenues up to \$250 million total, depending on the amount of TMUD tax credits awarded in FY 2026 and FY 2027. It is plausible that the associated state tax revenue losses would not begin until FY 2028.

TAXCD31 Tangible personal property tax replacement funds

R.C. 5709.93, 5751.02, Section 387.20

- Eliminates the School District Tangible Personal Property Tax Replacement Fund (Fund 7047) and the Local Government Tangible Personal Property Tax Replacement Fund (Fund 7081) used to reimburse school districts and local governments for their loss of revenue due to the prior repeal of the business tangible personal property tax. Requires instead that the reimbursement payments be made from the GRF.

Fiscal effect: As of mid-February 2025, Fund 7047 has a cash balance of nearly \$670 million and Fund 7081 has a cash balance of nearly \$170 million. Expenditures from Fund 7047 declined in recent years and were \$60 million in FY 2024. Similarly, expenditures from Fund 7081 were nearly \$5 million in FY 2024. Elsewhere, Section 509.10 authorizes the OBM Director during the biennium ending June 30, 2027, to transfer cash to the GRF from Fund 7047 and Fund 7081 as necessary. Section 387.10 appropriates reimbursement payments to school districts and other local taxing units from GRF ALIs 200417 and 110403, and these new ALIs replace the previous ALIs that were supported by Fund 7047 and Fund 7081

TAXCD94 Lodging tax: Ashtabula County convention facility

R.C. 5739.09

- Requires Ashtabula County to repeal a 2% special lodging tax used to fund the costs of a convention center.

Fiscal effect: Ashtabula County lodging tax collections will likely decline by approximately \$600,000 per fiscal year.