



Property Tax Reform – Reference Guide

House Bill 124 – Property Valuation Changes (“Flip the Script”)

- What changed:
 - County auditors have final say over the real estate sales used to determine value changes.
 - The state may appeal if it thinks the sample is unreasonable or unlawful.
- Effective:
 - Tax year 2026 (bills paid in 2027)
- Why it matters:
 - Mass appraisal property valuation is locally controlled.

House Bill 129 – Changes to the 20-Mill Floor Calculation

- What changed:
 - Emergency, substitute, and incremental levies now count toward the 20-mill floor.
- Effective:
 - Tax year 2026 (bills paid in 2027)
- Why it matters:
 - More school districts can move off the 20-mill floor. For Butler County, the change in calculation removes Middletown, Monroe, Edgewood, and Madison from the floor.
 - This reduces automatic tax growth unless voters approve new levies.

House Bill 186 – Homeowner Relief & Inflation Cap on 20-Mill Floor Tax Growth

- What changed:
 - The Owner-Occupancy Credit (for people who live in their homes) increases over four years from 2.5% to over 15% for qualifying levies.
 - The 10% Non-Business Credit (for rental/investment properties) is phased out (agricultural land excluded) over four years.
 - School tax increases caused by the 20-mill floor are now capped at the rate of inflation when property values rise during a reappraisal or triennial update, instead of rising with full property value increases.
 - Butler County properties in 20-mill floor school districts will receive a credit on their second half tax bills for the 2025 tax year (pay 2026) based on the inflation cap index. County auditors are awaiting more detail from the state on this calculation.
- Effective:
 - Tax year 2025 (second half bills paid in 2026) – inflation cap on school taxes
 - Tax year 2026 (bills paid in 2027) – larger Owner-Occupancy Credit starts and Non-Business Credit reduced
- Why it matters:

- Homeowners who live in their homes will get more tax relief (currently up to 12.5% off on qualifying levies to over 15% off on qualifying levies).
- School taxes in 20-mill floor districts won't rise as fast; they only grow with inflation unless voters approve new levies.

House Bill 309 – Local Oversight of Tax Rates

- What changed:
 - County Budget Commissions (Auditor, Treasurer, Prosecutor) can review and adjust tax rates if collections exceed what's needed.
- Effective:
 - Tax year 2026 (bills paid in 2027)
- Why it matters:
 - Adds more local oversight to prevent collecting too much tax.

House Bill 335 – Inflation Cap on Inside Millage Tax Growth

- What changed:
 - Local tax increases for inside millage are now capped at the rate of inflation when property values rise during a reappraisal or triennial update.
- Effective:
 - Tax year 2026 (bills paid in 2027)
- Why it matters:
 - Property tax increases due to rising values will be smaller and more predictable.

Summary

- Ohio taxpayers could save \$2-\$3+ billion statewide.
- First impact: Second half 2025 tax bills.
- Larger savings: 2027-2029, as credits fully phase in and districts move off the 20-mill floor.
- Future tax increases will be slower and tied to inflation, not the housing market.
- Taxes can still rise if property values increase, but growth will be smaller and predictable.
- Voter-approved local levies still increase taxes.
- More levies may appear on ballots since automatic increases are reduced.

Key Definitions:

Millage:

- The property tax rate. 1 mill = \$1 tax for every \$1,000 of property value.

Inside Millage:

- Portion of tax local governments can charge without a vote, capped at 10 mills.
- Funds basic local services.

20-Mill Floor:

- A law that requires school districts to collect at least 20 mills in property taxes.
- Previously caused automatic tax increases without voter approval when values increased.
- New reforms slow automatic growth to rate of inflation.

Reappraisal/Triennial Update:

- The Auditor determines the value of every property in the county.
- A reappraisal is done every six years, while a triennial update is conducted at the three-year midpoint. The purpose is to more closely align Auditor values with the market.