Finance Friday: Property Tax Law Updates

Several property tax bills passed by the Ohio legislature will affect how property taxes are calculated and limited. Below is a brief summary of the most important changes.

HB 124 – Property Value Studies
This bill changes how the state checks whether property values are fair. County auditors will now choose the home sales used in these studies instead of the state. The state can still appeal if it believes the data is wrong. The deadline for submitting property tax data is moved earlier. These changes begin in Tax Year 2026.

HB 186 – Limits on Property Tax Growth
This bill limits how much property taxes can grow at the 20-mill and 2-mill minimum levels by tying growth to inflation. It also changes tax credits:

- Homeowners will receive a larger owner-occupied credit over time.
- Tax credits for rental homes and second homes will be phased out.
- Farm property keeps its current tax credit.

School districts may lose local tax revenue, and the state funding formula does not make up the difference.

HB 335 – Inside Millage Cap
This bill limits how much revenue school districts can receive from inside millage by tying growth to inflation. New construction and expiring tax abatements are not included. The county budget commission must apply this cap during reappraisal years starting in Tax Year 2026.

HB 129 – Fixed-Sum Levies and Millage Floor Changes
This bill allows some emergency and substitute levies to be renewed as fixed-dollar amounts instead of increasing with property values. It also changes how the 20-mill minimum is calculated by including certain levies. These changes begin in Tax Year 2026.

HB 309 – County Budget Commission Authority
This bill allows county budget commissions to reduce voter-approved levies (except debt levies) if they believe collections are more than what is needed. A public hearing is required, but counties now have more control over school district tax revenue.

What This Means for Minford

- Minford may see **slower growth in local property tax revenue**, even as costs continue to rise.
- Limits on millage growth and tax credits may **reduce future funding** compared to past reappraisal cycles.
- County officials will have **more influence** over school funding decisions that were previously controlled locally.
- These changes may affect **long-term financial planning**, staffing, and program decisions.

We will continue to monitor these laws and keep staff informed about how they impact our district.