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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 28
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 28's Bill Analysis](#)

Version: As Reported by House Ways and Means

Primary Sponsors: Reps. A. Mathews and T. Hall

Local Impact Statement Procedure Required: No

Kyuhan Choi, Economist

Highlights

- The bill eliminates the authority of political subdivisions to levy replacement property tax levies, beginning with elections held on or after October 1, 2025. The provision does not have a direct fiscal effect on local taxing authorities.

Detailed Analysis

The bill eliminates the ability of local taxing authorities to enact replacement levies. This change could result in an indeterminate loss of tax revenue for some political subdivisions that would otherwise receive voter approval for their prospective ballot questions. The repeal will take effect on the bill's effective date, but replacement levies approved prior to the effective date may continue. No replacement levy may be submitted to voters on or after October 1, 2025. The bill does not affect the ability of school districts and local governments to seek voter approval for other types of levies authorized under current law.

Under current law, a subdivision may propose a replacement levy to extend the term of an existing levy at its original millage rate. This is different from a renewal levy, which continues the levy at its reduced effective millage rate after tax reduction factors. Because replacement levies remove accumulated tax reduction factors, they may result in an effective tax increase that some voters may not anticipate if they focus only on the voted rate.

While the exact impact on future election outcomes is uncertain, the table below shows the recent trend in passage rates for each type of levy in the last three general elections. In general, the ballot questions for "additional" property tax levy amounts fared worse than the two other broad categories of levies – renewal and replacement. Electors approved 49% of additional money levies in the 2024 general election, which is an approval rate that has declined in recent years as property valuations have grown faster than their historical norm. In contrast, voters consistently approved renewal levies at a rate above 90% over the past three general

elections. Replacement levies demonstrated a more middling approval rate, albeit one that is closer to renewal levies than additional money levies.

Summary Statistics of Levy Passage by Type, 2020-2024 General Elections						
Year	Additional		Replacement		Renewal	
	Passed/Total	Pass Rate	Passed/Total	Pass Rate	Passed/Total	Pass Rate
2024	101/205	49%	127/169	75%	646/708	91%
2022	87/138	63%	134/138	97%	631/641	98%
2020	97/136	71%	90/104	87%	743/756	98%

Source: Ohio Secretary of State