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H.B. 76 133rd General Assembly	**Bill Analysis**

Version: As Reported by House Ways & Means

Primary Sponsor: Rep. Merrin

Sam Benham, Attorney

SUMMARY

- Requires property tax election notices and ballot language to convey a property tax levy's rate in dollars for each $100,000 of fair market value instead of in dollars for each $100 of taxable value.

- Requires election notices and ballot language to display the estimated amount the levy would collect annually.

- Prohibits any portion of a property tax question from being printed on the ballot in boldface type or with differing font size, with some exceptions.

DETAILED ANALYSIS

Property tax ballot text

In general, to submit a property tax levy to voters, a taxing authority certifies a resolution to the board of elections, which places a notice describing the proposed levy in newspapers generally two weeks before the election and prepares ballot language describing the levy.[1] The bill makes three changes to the format of and information conveyed in these notices and ballot questions. Substantively, the bill changes the rate information displayed in the notice and ballot language and requires inclusion of an estimate of the amount of revenue the tax will collect annually. The bill also prohibits any portion of the ballot question's text from being printed in boldface type or in a differing font size than surrounding text, except for the question's heading and the area of the ballot in which votes are cast.

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[1] See, e.g., R.C. 5705.25.

Property tax notice and ballot information

Rate

The bill changes the rate information required to be displayed on property tax election notices and ballot language. Under current law, election notices and ballot language for most property tax questions vary slightly but are generally required to display the rate of the tax being levied, renewed, or replaced in both mills (0.1¢) for each $1 of taxable value and dollars for each $100 or $1000 of taxable value. (For real property, taxable value is 35% of so-called "fair market value" – the full value as appraised or affixed by county auditors or the Tax Commissioner.)

The bill requires election notices and ballot language to continue to display the millage rate per $1 of taxable value for each type of property tax levy but standardizes terminology by employing the term "taxable value." Currently, the ballot language that is prescribed for some levies uses other terms such as "valuation" or "tax valuation," while the language for others does not specify what value the millage rate is based on. The bill also requires dollar amounts appearing in ballot language to be displayed numerically, i.e., "$1," instead of in English, i.e., "one dollar." The millage rate, however, is still identified in whole numbers, i.e., 5 mills, rather than as a fraction of a dollar, i.e., $0.005 (see "**Before and after illustration**," below).

The bill additionally alters the rate information conveyed in election notices and ballot language by requiring the tax rate to be displayed in terms of dollars for each $100,000 of *fair market value*, instead of for each $100 of taxable value. Thus, for example, the election notice and ballot language for a 12-mill levy would, under current law, convey to voters that the rate equals 12 mills for each $1 of taxable value and $1.20 for each $100 of taxable value. Under the bill, the notice and language would continue to convey the 12-mill rate for each $1 of taxable value but, instead of the $1.20 per $100 of taxable value rate, would state that the millage rate translates to $420 for each $100,000 of fair market value.[2]

County auditor certification

Under continuing law, before a subdivision submits a property tax question to voters it must ask the county auditor for either (1) an estimate of the revenue the tax would generate from a specified millage rate or (2) the millage rate necessary to generate a specified amount of revenue. Upon receiving such information, the subdivision may submit the levy to voters by certifying a resolution to the appropriate county board of elections. In the case of a request for an estimated rate (#2, above), the bill requires the auditor to also certify the levy's rate for each

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[2] R.C. 133.18, 306.32, 306.322, 345.01, 345.03, 345.04, 505.48, 505.481, 511.27, 511.28, 511.34, 1545.041, 1545.21, 3311.50, 3318.01, 3318.06, 3318.061, 3318.062, 3318.063, 3318.361, 3318.45, 3381.03, 4582.024, 4582.26, 5705.01, 5705.192, 5705.195, 5705.196, 5705.197, 5705.199, 5705.21, 5705.213, 5705.215, 5705.218, 5705.219, 5705.233, 5705.25, 5705.251, 5705.55, 5748.01, 5748.02, 5748.03, 5748.08, and 5748.09.

$100,000 of fair market value to enable board of elections to enter that information on the ballot as the bill requires.[3]

Annual collections

The bill requires property tax election notices and ballot questions to display the estimated amount of revenue the tax would generate annually if approved by voters. This estimate is calculated by multiplying the levy's rate by the taxing district's total taxable value in the year the levy is proposed.[4] This estimate is calculated by the county auditor, generally at the same time the auditor is certifying the levy's rate information (see "**County auditor certification**," above).[5]

Generally, under current law, only levies that are imposed at whatever rate is necessary to raise an annual amount of money, often referred to as "fixed-sum levies," are required to display the amount the levy will collect annually. A fixed-sum levy's annual collections are estimated in a similar manner to the collections estimate required under the bill for all levies.

Before and after illustration

To illustrate the manner in which the bill changes the information conveyed in property tax election notices and ballot language, the table below compares property tax ballot language under current law with how the ballot language would appear under the bill. The table uses ballot language prescribed for a simple, fixed-rate tax levy, i.e., a levy that is imposed at a fixed rate in contrast to a fixed-sum levy described above.[6] Underlined and stricken language highlights information changed or added by the bill.

Current law ballot language	H.B. 76 ballot language
"An additional tax for the benefit of ... (subdivision) for the purpose of ... (purpose) at a rate not exceeding ... mills for each one dollar of valuation, which amounts to ... for each one hundred dollars of valuation, for ... (term)."	"An additional tax for the benefit of ... (subdivision) for the purpose of ... (purpose)<u>, that the county auditor estimates will collect $... annually,</u> at a rate not exceeding ... mills for each ~~one dollar~~ <u>$1</u> of ~~valuation~~ <u>taxable value</u>, which amounts to <u>$</u>... for each ~~one hundred dollars~~ <u>$100,000</u> of ~~valuation~~ <u>fair market value</u>, for ... (term)."

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[3] R.C. 5705.03(B)(1).

[4] R.C. 133.18, 306.32, 306.322, 345.03, 345.04, 505.37, 505.48, 505.481, 511.28, 511.34, 513.18, 755.181, 1545.041, 1545.21, 1711.30, 3311.50, 3318.06, 3318.061, 3318.062, 3318.063, 3318.361, 3318.45, 3381.03, 4582.024, 4582.26, 5705.192, 5705.21, 5705.212, 5705.261, 5705.215, 5705.218, 5705.233, 5705.25, 5705.251, 5705.55, 5748.03, and 5748.08.

[5] R.C. 5705.03(B)(1).

[6] R.C. 5705.25.

Typeface modifications

In addition to the substantive changes to election notices and ballot language described above, the bill expressly prohibits any portion of a property tax question from appearing on the ballot in boldface type or in a different font size from the surrounding ballot text. But the bill does allow a ballot question's heading and any text next to the boxes in which the voter's vote is cast to appear in boldface or in a different font size.[7] Under current law, the ballot question for two types of levies – bond levies and school district emergency levies – are required to display the levy's purpose clause in boldface type. Additionally, the purpose clause for an emergency levy is required to be twice the size of other ballot text.

Application

The bill's changes apply to property tax questions appearing on the ballot at any election held on or after 100 days after the bill's effective date.[8] (Generally, tax levy questions must be certified to boards of elections 90 days before election day.) The changes affect not only levies submitted by subdivisions, but also to voter-initiated petitions to reduce certain levies.[9]

HISTORY

Action	Date
Introduced	02-14-19
Reported, H. Ways & Means	04-10-19

H0076-RH-133/ts

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[7] R.C. 3505.06(G), 133.18(F)(2), and 5705.197.

[8] Section 3.

[9] R.C. 5705.261 and 5748.04.