



www.lsc.ohio.gov

# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 140  
134<sup>th</sup> General Assembly

## Final Analysis

[Click here for H.B. 140's Fiscal Note](#)

**Primary Sponsor:** Rep. Merrin

**Effective date:** September 13, 2022

Andrew Little, Attorney

### SUMMARY

- Requires property tax election notices and ballot language to display a property tax levy's rate in dollars for each \$100,000 of the county auditor's appraised value (i.e., true value), instead of in dollars for each \$100 of taxable value, in the following manner:
  - For a levy that is a renewal, decrease, increase, or expansion of an existing tax, the levy's effective tax rate for property classified as residential/agricultural;
  - For all other levies, the levy's voted millage rate.
- Requires most election notices and ballot language to state 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.
- Modifies the deadline for the county auditor's certification of a fixed-sum emergency levy or growth levy.

### 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.<sup>1</sup> The act makes three changes to the format of and information conveyed in these notices and ballot questions. Substantively, the act changes the rate information displayed in the notice and ballot language and generally requires inclusion of an estimate of the amount of

<sup>1</sup> See, e.g., R.C. 5705.25.

revenue the tax will collect annually. The act 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.

## **Property tax notice and ballot information**

### **Rate**

The act changes the rate information required to be displayed on property tax election notices and ballot language. Under prior law, election notices and ballot language for most property tax questions varied slightly but were 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 the property's true value (referred to in the act as "the county auditor's appraised value") – the full value as appraised or affixed by county auditors or the Tax Commissioner.

The act 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." Previously, the ballot language that was prescribed for some levies used other terms such as "valuation" or "tax valuation," while the language for others did not specify what value the millage rate was based on. The act 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 act 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 the county auditor's appraised value, instead of for each \$100 of taxable value, as required under prior law. For any proposed levy that is a renewal, decrease, increase, or expansion of an existing tax, the act requires the displayed rate of the existing tax to take into account the effect on the tax's collections by the H.B. 920 tax reduction factor's application against residential/agricultural property. For new levies and existing levies not subject to the tax reduction factor, such as fixed-sum levies, the act requires the voted rate to be displayed. (A fixed-sum levy is a levy that collects a particular sum of money each year, in contrast to a fixed-rate levy, which is imposed at a set voted rate and is not required to generate a particular amount of money.)

The H.B. 920 tax reduction factor, applicable to most fixed-rate levies, is a tax credit that generally prevents increases in tax collections due to appreciation in property values, except appreciation resulting from new construction. To compute the tax reduction factor, property is grouped into one of two classes – residential/agricultural and commercial/industrial – and a separate reduction factor is calculated for each class.

The tax reduction factor is a property tax credit, so it does not actually affect the voted rate of a levy. However, it does impact the collections that may otherwise be generated by a particular levy. These reduced collections may be converted to an "effective" property tax rate by dividing them by the total taxable value in the applicable class of property. A levy's effective

rate, when compared with its voted rate, is generally a more accurate representation of the amount of tax the levy actually assesses against real property.

To illustrate how the act modifies prior law's display of the levy's rate, consider the following two examples. In the first example, the election notice and ballot language for a new 12-mill levy would, under prior law, have conveyed to voters that the rate equaled 12 mills for each \$1 of taxable value and \$1.20 for each \$100 of taxable value. Under the act, the notice and language continues to convey the 12-mill rate for each \$1 of taxable value but, instead of the \$1.20 per \$100 of taxable value rate, states that the millage rate translates to \$420 for each \$100,000 of the county auditor's appraised value.

If that levy in the previous example is the renewal of an existing tax subject to the tax reduction factor, the notice and language continues to convey the 12-mill rate for each \$1 of taxable value, but instead states that the levy's rate per \$100,000 of the county auditor's appraised value is an amount less than \$420, since that amount takes into account the tax reduction factor. The tax reduction factor for residential/agricultural property, and thus the exact amount listed, varies by taxing jurisdiction.<sup>2</sup>

### **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 that 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 act requires the auditor to also certify the levy's rate for each \$100,000 of the county auditor's appraised value to enable boards of elections to provide that information on the ballot.<sup>3</sup>

The act also extends the deadline, from within five days, as under prior law, to within ten days from receiving the request from a subdivision, for a county auditor to certify a levy's rate for two types of school levies – fixed-sum emergency levies and growth levies. This extension aligns the rate computation certification deadline for these two levies with the ten-day deadline applicable to other types of levies under continuing law.<sup>4</sup>

---

<sup>2</sup> 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.

<sup>3</sup> R.C. 5705.03(B)(1).

<sup>4</sup> R.C. 5705.195 and 5705.213(A)(3).

## Annual collections

The act requires property tax election notices and ballot questions, except those related to bond levies (i.e., a tax levy to pay debt charges on bonds), to display the estimated amount of revenue the tax would generate annually if approved by voters, rounded to the nearest \$1,000. 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.<sup>5</sup> The county auditor calculates this estimate generally at the same time the auditor certifies the levy's rate information (see "**County auditor certification**," above).<sup>6</sup>

Generally, under prior law, only fixed-sum levies were required to display the amount the levy would collect annually. A fixed-sum levy's annual collections are estimated in a similar manner to the collections estimate required under the act for most levies.

## Before and after illustration

To illustrate the manner in which the act changes the information displayed in property tax election notices and ballot language, the table below compares property tax ballot language under prior law with how the ballot language appears under the act. 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 referred to above).<sup>7</sup> Underlined and stricken language highlights information the act changed or added.

Prior law ballot language	H.B. 140 ballot language
<p>"An additional tax for the benefit of . . . (subdivision) for the purpose . . . (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)."</p>	<p>"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 <del>one dollar</del> <u>\$1 of valuation taxable value,</u> which amounts to <u>\$. . . for each one hundred dollars \$100,000 of valuation the county auditor's appraised value,</u> for. . . (term)."</p>

## Typeface modifications

In addition to the substantive changes to election notices and ballot language described above, the act 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 act

<sup>5</sup> R.C. 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, 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, and 5748.03.

<sup>6</sup> R.C. 5705.03(B)(1).

<sup>7</sup> R.C. 5705.25.

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.<sup>8</sup> Under prior law, the ballot question for two types of levies – bond levies and school district emergency levies – were required to display the levy’s purpose clause in boldface type. Additionally, the purpose clause for an emergency levy was required to be twice the size of other ballot text.

### **Application**

The act’s changes apply to property tax questions appearing on the ballot at any election held on or after December 22, 2022 – 100 days after the act’s effective date of September 13, 2022.<sup>9</sup> (Generally, tax levy questions must be certified to boards of elections 90 days before the election day.) The changes affect not only levies submitted by subdivisions, but also to voter-initiated petitions to reduce certain levies.<sup>10</sup>

---

## **HISTORY**

Action	Date
Introduced	02-18-21
Reported, H. Ways & Means	04-14-21
Passed House (60-33)	04-22-21
Reported, S. Ways & Means	06-01-22
Passed Senate (22-10)	06-01-22

---

22-ANHB140EN-134/ts

---

<sup>8</sup> R.C. 3505.06(G), 133.18(F)(2), and 5705.197.

<sup>9</sup> Section 3.

<sup>10</sup> R.C. 5705.261 and 5748.04.