

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**S. B. No. 308**

**Senator O'Brien  
Cosponsors: Senators Schaffer, Lang**

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**A BILL**

To amend sections 319.301 and 5705.314 of the  
Revised Code to limit the ability of school  
districts to reallocate unvoted property tax  
millage and to include emergency levies and  
substitute levies in the calculation of a school  
district's effective millage floor.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 319.301 and 5705.314 of the  
Revised Code be amended to read as follows:

**Sec. 319.301.** (A) The reductions required by division (D)  
of this section do not apply to any of the following:

(1) Taxes levied at whatever rate is required to produce a  
specified amount of tax money, including a tax levied under  
section 5705.199 or 5748.09 of the Revised Code, or an amount to  
pay debt charges;

(2) Taxes levied within the one per cent limitation  
imposed by Section 2 of Article XII, Ohio Constitution;

(3) Taxes provided for by the charter of a municipal

corporation.	18
(B) As used in this section:	19
(1) "Real property" includes real property owned by a railroad.	20 21
(2) "Carryover property" means all real property on the current year's tax list except:	22 23
(a) Land and improvements that were not taxed by the district in both the preceding year and the current year;	24 25
(b) Land and improvements that were not in the same class in both the preceding year and the current year.	26 27
(3) "Effective tax rate" means with respect to each class of property:	28 29
(a) The sum of the total taxes that would have been charged and payable for current expenses against real property in that class if each of the district's taxes were reduced for the current year under division (D) (1) of this section without regard to the application of division (E) (3) of this section divided by	30 31 32 33 34 35
(b) The taxable value of all real property in that class.	36
(4) "Taxes charged and payable" means the taxes charged and payable prior to any reduction required by section 319.302 of the Revised Code.	37 38 39
(C) The tax commissioner shall make the determinations required by this section each year, without regard to whether a taxing district has territory in a county to which section 5715.24 of the Revised Code applies for that year. Separate determinations shall be made for each of the two classes	40 41 42 43 44

established pursuant to section 5713.041 of the Revised Code. 45

(D) With respect to each tax authorized to be levied by 46  
each taxing district, the tax commissioner, annually, shall do 47  
both of the following: 48

(1) Determine by what percentage, if any, the sums levied 49  
by such tax against the carryover property in each class would 50  
have to be reduced for the tax to levy the same number of 51  
dollars against such property in that class in the current year 52  
as were charged against such property by such tax in the 53  
preceding year subsequent to the reduction made under this 54  
section but before the reduction made under section 319.302 of 55  
the Revised Code. In the case of a tax levied for the first time 56  
that is not a renewal of an existing tax, the commissioner shall 57  
determine by what percentage the sums that would otherwise be 58  
levied by such tax against carryover property in each class 59  
would have to be reduced to equal the amount that would have 60  
been levied if the full rate thereof had been imposed against 61  
the total taxable value of such property in the preceding tax 62  
year. A tax or portion of a tax that is designated a replacement 63  
levy under section 5705.192 of the Revised Code is not a renewal 64  
of an existing tax for purposes of this division. 65

(2) Certify each percentage determined in division (D) (1) 66  
of this section, as adjusted under division (E) of this section, 67  
and the class of property to which that percentage applies to 68  
the auditor of each county in which the district has territory. 69  
The auditor, after complying with section 319.30 of the Revised 70  
Code, shall reduce the sum to be levied by such tax against each 71  
parcel of real property in the district by the percentage so 72  
certified for its class. Certification shall be made by the 73  
first day of September except in the case of a tax levied for 74

the first time, in which case certification shall be made within 75  
fifteen days of the date the county auditor submits the 76  
information necessary to make the required determination. 77

(E) (1) As used in division (E) (2) of this section, "pre- 78  
1982 joint vocational taxes" means, with respect to a class of 79  
property, the difference between the following amounts: 80

(a) The taxes charged and payable in tax year 1981 against 81  
the property in that class for the current expenses of the joint 82  
vocational school district of which the school district is a 83  
part after making all reductions under this section; 84

(b) Two-tenths of one per cent of the taxable value of all 85  
real property in that class. 86

If the amount in division (E) (1) (b) of this section 87  
exceeds the amount in division (E) (1) (a) of this section, the 88  
pre-1982 joint vocational taxes shall be zero. 89

As used in divisions (E) (2) and (3) of this section, 90  
"taxes charged and payable" has the same meaning as in division 91  
(B) (4) of this section and ~~excludes~~ includes any tax charged and 92  
payable ~~in 1985 or thereafter~~ under sections 5705.194 to 93  
5705.197 or section 5705.199, of the Revised Code but excludes 94  
any tax charged and payable under section 5705.213, 5705.219, or 95  
5748.09 of the Revised Code. 96

(2) If in the case of a school district other than a joint 97  
vocational or cooperative education school district any 98  
percentage required to be used in division (D) (2) of this 99  
section for either class of property could cause the total taxes 100  
charged and payable for current expenses to be less than two per 101  
cent of the taxable value of all real property in that class 102  
that is subject to taxation by the district, the commissioner 103

shall determine what percentages would cause the district's 104  
total taxes charged and payable for current expenses against 105  
that class, after all reductions that would otherwise be made 106  
under this section, to equal, when combined with the pre-1982 107  
joint vocational taxes against that class, the lesser of the 108  
following: 109

(a) The sum of the rates at which those taxes are 110  
authorized to be levied; 111

(b) Two per cent of the taxable value of the property in 112  
that class. The auditor shall use such percentages in making the 113  
reduction required by this section for that class. 114

(3) If in the case of a joint vocational school district 115  
any percentage required to be used in division (D) (2) of this 116  
section for either class of property could cause the total taxes 117  
charged and payable for current expenses for that class to be 118  
less than two-tenths of one per cent of the taxable value of 119  
that class, the commissioner shall determine what percentages 120  
would cause the district's total taxes charged and payable for 121  
current expenses for that class, after all reductions that would 122  
otherwise be made under this section, to equal that amount. The 123  
auditor shall use such percentages in making the reductions 124  
required by this section for that class. 125

(F) No reduction shall be made under this section in the 126  
rate at which any tax is levied. 127

(G) The commissioner may order a county auditor to furnish 128  
any information the commissioner needs to make the 129  
determinations required under division (D) or (E) of this 130  
section, and the auditor shall supply the information in the 131  
form and by the date specified in the order. If the auditor 132

fails to comply with an order issued under this division, except 133  
for good cause as determined by the commissioner, the 134  
commissioner shall withhold from such county or taxing district 135  
therein fifty per cent of state revenues to local governments 136  
pursuant to section 5747.50 of the Revised Code or shall direct 137  
the department of education and workforce to withhold therefrom 138  
fifty per cent of state revenues to school districts pursuant to 139  
Chapter 3317. of the Revised Code. The commissioner shall 140  
withhold the distribution of such revenues until the county 141  
auditor has complied with this division, and the department 142  
shall withhold the distribution of such revenues until the 143  
commissioner has notified the department that the county auditor 144  
has complied with this division. 145

(H) If the commissioner is unable to certify a tax 146  
reduction factor for either class of property in a taxing 147  
district located in more than one county by the last day of 148  
November because information required under division (G) of this 149  
section is unavailable, the commissioner may compute and certify 150  
an estimated tax reduction factor for that district for that 151  
class. The estimated factor shall be based upon an estimate of 152  
the unavailable information. Upon receipt of the actual 153  
information for a taxing district that received an estimated tax 154  
reduction factor, the commissioner shall compute the actual tax 155  
reduction factor and use that factor to compute the taxes that 156  
should have been charged and payable against each parcel of 157  
property for the year for which the estimated reduction factor 158  
was used. The amount by which the estimated factor resulted in 159  
an overpayment or underpayment in taxes on any parcel shall be 160  
added to or subtracted from the amount due on that parcel in the 161  
ensuing tax year. 162

A percentage or a tax reduction factor determined or 163

computed by the commissioner under this section shall be used 164  
solely for the purpose of reducing the sums to be levied by the 165  
tax to which it applies for the year for which it was determined 166  
or computed. It shall not be used in making any tax computations 167  
for any ensuing tax year. 168

(I) In making the determinations under division (D) (1) of 169  
this section, the tax commissioner shall take account of changes 170  
in the taxable value of carryover property resulting from 171  
complaints filed under section 5715.19 of the Revised Code for 172  
determinations made for the tax year in which such changes are 173  
reported to the commissioner. Such changes shall be reported to 174  
the commissioner on the first abstract of real property filed 175  
with the commissioner under section 5715.23 of the Revised Code 176  
following the date on which the complaint is finally determined 177  
by the board of revision or by a court or other authority with 178  
jurisdiction on appeal. The tax commissioner shall account for 179  
such changes in making the determinations only for the tax year 180  
in which the change in valuation is reported. Such a valuation 181  
change shall not be used to recompute the percentages determined 182  
under division (D) (1) of this section for any prior tax year. 183

**Sec. 5705.314.** ~~If the~~ The board of education of a city, 184  
local, ~~or~~ exempted village, or joint vocational school district 185  
~~proposes to shall not change the purpose of its~~ levy within the 186  
ten-mill limitation in a manner that ~~will~~ would result in an 187  
increase in the amount of real property taxes levied by the 188  
board in the tax year the change takes effect, ~~the~~. 189

If the board of education of a city, local, or exempted 190  
village school district proposes to change its levy within the 191  
ten-mill limitation in any other manner that would result in an 192  
increase in the amount of real property taxes levied by the 193

board in the tax year the change takes effect, the board shall 194  
hold a public hearing solely on the proposal before adopting a 195  
resolution to implement the proposal. The board shall publish 196  
notice of the hearing in a newspaper of general circulation in 197  
the school district once a week for two consecutive weeks or as 198  
provided in section 7.16 of the Revised Code. The second 199  
publication shall be not less than ten nor more than thirty days 200  
before the date of the hearing, and the notice shall include the 201  
date, time, place, and subject of the hearing, and a statement 202  
that the change proposed by the board may result in an increase 203  
in the amount of real property taxes levied by the board. At the 204  
time the board submits the notice for publication, the board 205  
shall send a copy of the notice to the auditor of the county 206  
where the school district is located or, if the school district 207  
is located in more than one county, to the auditor of each of 208  
those counties. 209

**Section 2.** That existing sections 319.301 and 5705.314 of 210  
the Revised Code are hereby repealed. 211

**Section 3.** (A) The amendment by this act of section 212  
319.301 of the Revised Code applies to tax years beginning on or 213  
after the effective date of this section. 214

(B) The amendment by this act of section 5705.314 of the 215  
Revised Code applies to levies authorized within the ten-mill 216  
limitation for tax years beginning on or after the effective 217  
date of this section. 218