



OHIO CHAMBER OF COMMERCE LEGISLATIVE UPDATE

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Property Tax Legislation Update— House Bill 129 and House Bill 309

Last week, the Ohio House Ways and Means Committee had hearings on both House Bill 129 (HB 129) and House Bill 309 (HB 309), where they were amended and unanimously reported out of committee. HB 129 and HB 309 were considered for a House floor vote the same day and passed successfully.

HB 129 includes fixed-sum levies, such as existing emergency and substitute levies, in the calculation of a school district's 20-mill floor and the 2-mill floor for joint vocational school districts (JVSDs) starting in tax year 2026. It also authorizes districts to levy fixed-sum property taxes in limited circumstances, such as during fiscal distress or a declared emergency. These fixed-sum levies could only be used for current operating expenses, would be limited to five years, and could not be renewed.

House Bill 309 makes changes to how county budget commissions (CBCs) handle property tax levies and aims to provide more oversight in local property tax collections, ensuring they align with financial needs and statutory requirements.

Specifically, HB 309:

- Requires CBC approval without modification for the first five years of a voted levy's collection (unless it's a renewal levy).

- Allows CBCs to annually adjust levy collections (for those that do not require approval without modification) to avoid unnecessary or excessive collections. The bill defines "unnecessary collections" as those exceeding the anticipated financial needs of the taxing authority, and "excessive collections" as those beyond what is required to provide services at a level consistent with statutory obligations.
- Includes a safe harbor provision ensuring school districts do not lose state education funding when they levy less than 20 mills for current operating expenses in order to forgo increased revenue.
- Requires Tax Commissioner to annually adjust the rate of fixed-sum levies (excluding a debt levy) to ensure they continue to raise the approved amount. The Tax Commissioner then certifies that adjustment to county auditors.

HB 129 passed on the House floor with a vote of 81-16, while HB 309 passed with a vote of 77-19.

The Ohio Chamber of Commerce provided proponent testimony in support of HB 129. The Ohio Chamber is also part of the Ohio Taxpayer Protection Coalition and has generally supported certain pieces of property tax legislation this General Assembly to increase transparency, limit excessive balances, and have more broad recognition of levy type toward the 20-mill floor.

House Bill 159 Update

House Bill 159 (HB 159) had two hearings in the Ohio House Technology and Innovation Committee over the last few weeks, where it was amended without objection to include safeguards around the funding that would be provided under the bill. The following week, the committee unanimously reported HB 159 out of the Ohio House Technology and Innovation Committee before it was re-referred to the House Finance Committee.

HB 159 establishes the Manufacturing Technology Assistance Program (MTAP), a \$12 million/FY grant initiative administered by the Ohio Department of Development to support projects that improve the productivity, efficiency and competitiveness of Ohio's manufacturers. The program is designed to assist manufacturers that otherwise lack the capital or capability to upgrade aging machinery, adopt new technology or enhance operations.

By providing one-time, matching grants, reserved equally between smaller (50 or fewer employees) and mid-sized (51–500 employees) manufacturers, this

program rewards companies that have remained committed to Ohio, encourages private investment, and helps ensure that legacy manufacturers can retool for the demands of the modern economy.