

## Publications

### Ohio's New Property Tax Legislation: Key Changes Effective March 2026

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At the end of 2025, Ohio's General Assembly passed five companion bills to reform the state's property tax system, responding to widespread concerns about rising real estate values and tax burdens. Four of these bills—H.B. 124, H.B. 129, H.B. 309 and H.B. 335—take effect March 18, 2026, impacting property owners with their second half tax bills this summer. H.B. 186, which increases the rollback for owner-occupied homes and eliminates the nonbusiness credit for residential property, became effective in December 2025.

#### House Bill 186: Property Tax Credits and Rollback Changes

H.B. 186 introduces a property tax credit for owners in school districts at the 20-mill floor and in joint vocational school districts at the 2-mill floor. The credit limits tax revenue increases resulting from the floor, ensuring district collections do not exceed a specified inflation rate. Both residential (Class I) and commercial (Class II) property owners benefit, as credits are applied if collections surpass the inflation threshold.

H.B. 186 also increases the rollback for owner-occupied homes and eliminates the nonbusiness credit for residential properties, including multi-family condos. For more details on these changes, see our [prior alert](#).

#### House Bill 124: Reappraisal and Update Process Reforms

H.B.124 modifies how the Ohio Department of Taxation (DOT) reviews county auditors' property valuations during reappraisals and updates. The DOT must now use the sample of property sales provided by each county auditor, rather than its own sample, and all sales must be open market, arm's length transactions from the previous three years. The bill also moves up the DOT review deadline and allows appeals of DOT corrections or auditor sample orders to the Board of Tax Appeals (BTA) and the Ohio Supreme Court.

## House Bill 129: Adjustments to School District Levies

H.B. 129 changes which levies are included in a school district's 20-mill floor or a joint vocational school district's 2-mill floor. The 20-mill floor ensures a school district's effective tax rate for current expense levies does not fall below 20 mills, meaning increases in property values above this threshold result in higher taxes. H.B. 129 requires current expense fixed-sum levies to be included in the floor calculation starting in tax year 2026. Existing emergency, substitute, growth and conversion levies, as well as fixed-sum property taxes with a school district income tax, are affected. The bill also allows districts to renew certain levies as fixed-sum levies and limits new fixed-sum levies to five-year terms for current operating expenses.

## House Bill 309 and House Bill 335: County Budget Commission Changes

County budget commissions (CBCs) review and adjust local government tax budgets and approve property tax levies. H.B. 309 permits CBCs to annually adjust levy collections for levies not requiring approval. CBCs cannot reduce a levy below the prior year's collections unless reserve funds are available and must consider such amounts when deciding on reductions. School district levies cannot be reduced below 20 mills for current operating expenses unless requested by the district.

H.B. 335 requires CBCs, in reappraisal or update years, to limit revenue increases from inside millage levies to the GDP deflator growth over the preceding three years. Subdivisions may request CBCs to increase levy rates to match prior year collections if inside millage would not increase in a reappraisal year. Subdivisions that temporarily reduce inside millage can base future limits on collections from the year before the reduction.