



# State of Affairs

## A Public Policy Newsletter for Nonprofits

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### What Nonprofits Need to Know About Property Tax Changes in Ohio

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It's been a minute since we've published this newsletter, and quite a lot has transpired of relevance since. Primarily, we're all working our way out of the crisis that the [longest federal government shutdown in American history has created for our community](#), and working toward solutions for our [4,100 neighbors whose access to SNAP has been permanently lost](#) as a consequence of this summer's legislation.

(We also published our 2025 [State of the Sector report](#), and urge you to review it and share it far and wide. Its findings will not be surprising to readers of this newsletter.)

But while we have all been focused on the mitigation efforts we all have had to do in navigating the shutdown, there have been substantial developments in state government regarding *property taxes*. While it is not as immediately consequential for nonprofits as SNAP and Medicaid cuts, the implications of these changes would be enormous.

Property taxes play a vital role in funding Ohio's local governments and schools. These taxes, based on appraised property values, provide essential support for education, public safety, and infrastructure. As property values rise, residents in [Central Ohio](#) and across the state are facing higher bills, sparking renewed debate at the Statehouse over how to make the system better.

#### **Introduction to Property Taxes in Ohio**

[In Ohio](#), auditors are responsible for determining a property's fair market value, or the probable sale price of a property under normal conditions. Property taxes are paid on a property's assessed value, which is 35% of the fair market value. These taxes are expressed in mills, with one mill equalling one-thousandth of a dollar (\$0.001). The Ohio Constitution requires all residents to pay a base tax rate of 10 mills, and in 1977, lawmakers established the "[20 Mill Floor](#)" to guarantee that school districts received at least 2% of their district's property value in taxes.

Property taxes are a key funding source for counties, cities, towns, villages, school districts, and special districts. The money collected supports essential services, including schools, police and fire protection, road maintenance, and community services such as libraries and parks.

#### **New and Pending Property Tax Laws**

In Summer 2025, the Ohio General Assembly passed several [property tax provisions](#) in the state budget, making clarifying changes to ballot language and taking away local governments' ability to create new replacement property tax levies. The provisions also stop school districts from using certain types of taxes, such as emergency and substitute levies that raise a set amount of money, renewal levies that include a tax increase, or combined income and property tax levies. These levies currently generate about [\\$1.3 billion a year for schools](#), making their elimination a significant change for local education funding. Finally, a school district cannot ask voters for a new operating levy if it already has more than one year's worth of expenses saved in its general fund under the budget legislation. Governor DeWine vetoed these provisions when he signed the budget bill; however, the GA overrode his vetoes, allowing the provisions to take full effect in 2026.

Recently, property taxes have drawn increasing attention in Ohio due to significant property value increases. According to the [Tax Foundation](#), [Ohio ranks eighth in the country](#) for property tax burden, while it's only 40th in median household income, highlighting a growing affordability concern for homeowners. As a result, lawmakers across the Statehouse are pursuing major reforms to Ohio's property tax system.

[Last month](#), Governor DeWine tasked legislators with finding a solution to Ohio's growing property tax burden. The group came up with [20 different proposals](#), two of which (HBs 186 and 335) have been passed by the Ohio House. Other [proposed changes](#) include capping the rate at which school taxes can increase, expanding exemptions for seniors, limiting local government revenue growth, allowing counties to create new credits, and even eliminating local school property taxes altogether.

**Nonprofits are watching this play out with trepidation, as property tax reform would significantly change the resources available to and services interconnected with the sector.**

Here is a rundown of the proposed property tax-related legislation currently in the Statehouse:

- [House Joint Resolution 6](#) (In House Committee) caps what Ohio residents pay in property taxes to 1.25% of a home's appraised value for most people and 1% for seniors.
- [Senate Bill 93](#) (In Senate Committee) would replace all local school property taxes with a single statewide 20-mill property tax and a 1.75% sales tax increase.
- [House Bill 103](#) (In House Committee) increases the homestead exemption. Qualifying homes would not pay taxes on \$50,000 of their appraised value instead of the current \$28,000. The income cap to qualify would increase from \$40,000 to \$45,000.
- [House Bill 124](#) (Passed House, in Senate Committee) requires tax commissioners to base sale-assessment ratio studies solely on a representative sample of sales provided by the county auditor. The sample must only include voluntary transactions between unrelated parties occurring within the three years before the tax year in question.
- [House Bill 129](#) (Passed House, in Senate Committee) includes emergency and substitute levies in the 20-mill floor calculation for school districts, aiming to prevent unvoted tax spikes for residents. It requires school district income taxes to be factored into overall tax rate calculations and includes a one-time renewal option for emergency levies.
- [House Bill 156](#) (In House Committee) would freeze property taxes for low-income seniors whose homes are worth \$500,000 or less.
- [House Bill 186](#) (Passed House, in Senate Committee) adjusts the 20-mill floor for inflation and lowers property taxes for homeowners currently paying the minimum rate. The bill would give homeowners an immediate tax cut in the form of a retroactive tax credit. Shortly before the bill passed the Ohio House, House Republicans added \$300 million in one-time funds to address complaints from school leaders who say that the reduced future revenue could force them to make painful cuts. The bill is projected to cut local funding to public schools by \$1.7 billion over three years.
- [House Bill 309](#) (Passed House, in Senate Committee) would give county budget commissions the authority to lower property taxes, requiring them to wait five years before deciding whether a levy amount is "unnecessary or excessive." "Unnecessary" was defined as a levy that collects more than reasonably needed once balances and other revenues are counted, and "excessive" was defined as a rate that overshoots what's required to provide normal services.

- [House Bill 335](#) (Passed House, in Senate Committee) limits increases in inside millage—the portion of property taxes that local governments can collect without voter approval—so that revenues can only rise at the same rate as inflation.
- [House Bill 365](#) (In House Committee), a circuit breaker bill, limits what certain homeowners pay in property taxes by tying their bills to income. No one would be required to pay more than 5% of their household income in property taxes, and the amount left over would be returned as an income tax credit. The benefit applies only to owner-occupied homes and decreases as income rises. Homeowners earning \$60,000 or less could receive up to \$1,000, while those earning between \$90,000 and \$100,000 could receive up to \$200 back.
- [House Bill 540](#) (In House Committee) requires nonprofit conservation groups that own more than 15,000 acres in a single county to pay 2.5% of the land's taxable value per year. The money would be shared among local governments as if the property were taxed normally.

*Where does this legislation stand?*

House Bills 124, 129, 186, 309, and 335 have passed the House and are working their way through the Senate, making them likely to become law in the near future. Of these, House Bills 309 and 335 have the greatest implications for nonprofits, as they affect local government funding, a primary source of support for many nonprofit organizations. House Bill 540 would also significantly impact the sector, as nonprofits have historically been exempt from paying property taxes.

*Citizens for Property Tax Reform*

Meanwhile, a grassroots organization called [Citizens for Property Tax Reform](#) launched a campaign to bring this issue directly to voters. The group is working to collect the 415,000 signatures required to place a proposal to eliminate property taxes altogether on the ballot next year.

*Supply and Demand Challenges*

These changes all continue a policy trend and challenge for nonprofits and the social safety net: Resources are being challenged or eliminated, while demand for resources continues to go up.

Authored By

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A 2024 graduate of Oberlin College, Lauren earned a BA in Sociology, with a minor in Africana Studies and a concentration in Education Studies. Having recently relocated to Columbus, Lauren continues her passion for community engagement and commitment to uplifting marginalized voices.

