



Members Brief

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Property Tax Millage Floors for School Districts

Ohio property tax law applies a “tax reduction factor” to real property, with the goal of preventing property taxes from increasing as quickly as property values. Generally, the tax reduction factor adjusts tax collections downward so that taxing districts receive roughly the same amount of revenue each year. However, millage “floors” prevent the tax reduction factor from reducing certain taxing districts’ revenue below a certain level. City, local, and exempted village school districts benefit from a 20-mill floor, which guarantees that they receive at least 20 mills of property tax revenue for current expenses. In 2024, 477 (about 78%) of these school districts were at the 20-mill floor. Joint vocational school districts have a two-mill floor.

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Property tax reduction factor

Ohio law applies a “property tax reduction factor” to real property, with the goal of preventing taxes from increasing at the same rate as property values. Basically, each year when property values increase, tax collections are adjusted downward so that taxing districts receive

the same amount of revenue they received in the previous year.¹ There are a few exceptions to the tax reduction factor – including the millage floor limits described in this brief.²

Millage floors

The current tax reduction factor is authorized in strict accordance with Article XII, Section 2a of the Ohio Constitution. That same section also authorizes the General Assembly to impose a millage “floor” below which tax reduction factors may not reduce a taxing authority’s tax collections.

This constitutional provision authorizes the General Assembly to adopt different floors for different types of taxing authorities, but requires any floor to be uniform throughout a taxing authority.³ Section 2a specifies that the floor be “a uniform per cent of the taxable value of the property in the districts to which the limitation applies.” Consequently, the General Assembly can authorize alternative floors for different types of taxing authorities but cannot enact legislation that would result in different millage floors for districts of the same type.

The General Assembly has acted under this authority to create two separate floors: a 20-mill floor for city, local, and exempted village school districts and a two-mill floor for joint vocational school districts.⁴

School district 20-mill floor

The 20-mill floor guarantees that each city, local, and exempted village school district receives at least 20 mills worth of taxes for *current expenses* after the tax reduction factor is applied.⁵ This assumes that the district levies at least 20 mills for current expenses; if the district levies less than 20 mills for current expenses, the floor equals the actual voted rate for current expenses.

Table 1 outlines whether the tax reduction factor and 20-mill floor apply to various types of levies:

¹ R.C. 319.301.

² For more information on the operation of the tax reduction factor, see the Legislative Service Commission’s *Members Brief* entitled, [Property Tax Reduction Factor \(PDF\)](#), which is available on LSC’s website: lsc.ohio.gov.

³ Article XII, Section 2a(D), Ohio Constitution.

⁴ R.C. 319.301(E).

⁵ When initially conceived, the 20-mill floor included as part of the district’s millage computation current expense levies levied not only by the district, but by corresponding joint vocational school districts (JVSDs). Eventually, this included millage was frozen based on 1981 levy rates and then further reduced so that such rates were only included in a district’s computation to the extent they exceeded 2 mills – a change wrought by the same legislation that created a two-mill floor specifically for JVSDs, described below.

Table 1: Tax reduction factor application to various school levies		
School levy type	Subject to tax reduction factors	Included in 20-mill floor
Unvoted (Inside) millage (current expense)	No	Yes
Inside millage (all other)	No	No
Voted millage (current expense)	Yes	Yes
Voted millage (permanent improvement)	Yes	No
Voted millage (bond or emergency levies)	No	No

Once the tax reduction factor is applied, if the net revenue collected from all current expense levies would be less than 20 mills worth of taxes, the effective rates of the district's voted current expense levies are re-adjusted so that the district's net revenue equals 20 mills worth of those taxes. This adjustment increases the revenue from those voted levies, compared to if the tax reduction factor had been allowed to reduce revenue below that threshold. It does not affect the amount of revenue received from unvoted levies, because unvoted levies are not reduced by the tax reduction factors.

Each school district actually has two different "floors" – one for residential and agricultural property (Class I) and another for all other property (Class II).⁶ A district may be at the 20-mill floor in both classes, or in only one class but not the other.

Districts on the 20-mill floor

As of 2024, of the 611 school districts statewide, 477 districts (about 78%) are on the 20-mill floor in at least one of the two classes of real property. Table 2 demonstrates the trend in the number of districts at the 20-mill floor over the past 19 years.⁷

⁶ The two separate classes of property were established in 1980, by constitutional amendment (Article XII, Section 2a(C)), which required that the tax reduction factor be applied separately to the two different classes.

⁷ Tax Year 2024 Aggregate Property Tax Rates by School District and Levy Purpose, Department of Taxation, available on the Department's [Tax Data Series webpage](#) (click on "Property"), which is available on the Department's website: tax.ohio.gov. For purposes of this brief, a district is considered to be on the 20-mill floor if it has an effective current expense millage rate lower than 20.1 mills.

Table 2: School districts on the 20-mill floor	
Year	Number of districts
2005	384
2010	302
2015	285
2020	329
2024	477

The number of districts at the floor results from several factors. For one, shifts in the housing market have played a key role. The most recent increase reflects significant growth in property tax values over the previous decade. Conversely, the number of districts at the floor significantly decreased following the 2008 recession. Second, the location and size of a district will impact whether it is on the floor, as well as the likelihood of voters in the district to approve new levies on the ballot. As demonstrated in Table 3, rural and small-town districts are more likely to be on the floor, while suburban and urban districts are less likely to be.

In addition, the large number of districts at the floor may reflect a deliberate strategy on the part of some school districts, since districts at the floor receive the full value of the growth in property values on their 20 mills.

Table 3: Districts at the 20-mill floor by type, 2024 ⁸			
Type of district and total number of that type	Number of districts at the 20-mill floor	Percentage of districts of that type at 20-mill floor	Average voted millage rate
Rural (234)	229	98%	35.90
Small-town (199)	174	87%	44.46
Suburban (123)	49	40%	55.40
Urban (55)	25	45%	55.79

⁸ Tax Year 2024 Aggregate Property Tax Rates (see above) and 2013 School District Typology, Department of Education and Workforce, the latter of which is available by conducting a keyword “district typology” search on the Department’s website: education.ohio.gov. The data in Table 3 is based on this published school district typology information, but contains adjustments for districts with little to no enrollment.

Revenue growth outside of 20-mill floor

To supplement current expense revenues, districts take advantage of two options under Ohio law that permit them to generate additional revenue without leaving the 20-mill floor. One option is an emergency levy. Emergency levies are restricted to a specific dollar amount for the term of the levy; the millage is not counted toward the floor.⁹ Therefore, districts can pass these levies to generate additional revenue without losing the growth on their existing current expense millage that occurs from being at the floor.¹⁰

The other option is the school district income tax. Revenue from income taxes, which grows with income, does not affect the calculation of the 20-mill floor. About 95% of the districts levying an income tax are at the 20-mill floor in at least one class of property. In total, of the 477 districts at the floor in 2024, 362 or 76% had either emergency levies or income taxes; 76 of these 477 districts had both.¹¹

20-mill floor example

It is important to understand the “all or nothing” growth impact of being at the 20-mill floor. A district that is above the 20-mill floor (and that does not fall to the 20-mill floor because of reappraisal or update) gets no growth from reappraisal or update of its existing property stock on its outside current expense mills. A district at the 20-mill floor gets full growth from reappraisal or update on its 20 mills of outside current expense levies.

Table 4 illustrates the results of a reappraisal in two districts – one on the 20-mill floor and one that is not. Each district experiences a 20% increase in property values during the reappraisal. The district that is already on the 20-mill floor receives the full growth from that value increase, with a corresponding 20% increase in tax revenue. The district that is not on the 20-mill floor receives growth only on its 5 mills of inside millage (which cannot be reduced by the tax reduction factor), resulting in only a 4% increase in tax revenue.

⁹ R.C. 5705.194 to 5705.197. School districts’ ability to levy new or renew existing emergency levies would have been curtailed after General Election 2025 by H.B. 96 of the 136th General Assembly. However, the Governor vetoed this restriction. As of the publication date of this brief, the House has overridden the veto, but the Senate has not voted. If the veto is overridden, the new prohibition would not affect existing emergency levies, which will continue until the end of their terms.

¹⁰ The General Assembly has specifically excluded several levies from the 20-mill floor over the years, including: emergency levies (1985), growth levies (1990), substitute levies (2008), and combined income and property tax levies (2011).

¹¹ Tax Year 2024 Aggregate Property Tax Rates (see above) and [List of School District Income Tax Levies \(PDF\)](#), Department of Taxation, available on the Department’s Tax Data Series website: tax.ohio.gov.

Table 4: Example of the effect of 20-mill floor on two school districts

	District One	District Two
2023 taxable value	\$10,000,000	\$10,000,000
2023 millage:		
Inside	5 mills	5 mills
Voted	15 mills	19 mills
Total	20 mills	24 mills
2023 total taxes (total millage x taxable value)	\$200,000	\$240,000
2024 taxable value	\$12,000,000	\$12,000,000
2024 millage:		
Inside (exempt from tax reduction factors)	5 mills	5 mills
Voted (after applying tax reduction factors)	12.5 mills	15.8 mills
Total (after applying 20-mill floor)	20 mills	20.8 mills
2024 total taxes (total millage x taxable value)	\$240,000	\$249,600
Percentage increase from 2023 to 2024	20%	4%

20-mill floor vs. 20-mill qualifier for state education funding

To qualify for state funding, each school district must levy at an amount equal to at least 20 mills of current expense property taxes.¹² For this purpose only, current expense levies include not only regular current expense levies, but also school district income taxes, converted to a millage rate, and overlapping joint vocational school (JVS) current expense levies and the equivalent property tax millage of current expense school district income tax levies. So this calculation of 20 mills to qualify for state aid is not the same as the 20-mill floor calculation discussed above.

Joint vocational school district two-mill floor

The General Assembly has also created a two-mill floor for joint vocational school districts (JVSDs). Similar to the 20-mill floor for other school districts, this floor holds net revenue from JVSD current expense levies at 0.2% of value if application of the reduction factors for either class or property would cause net revenue from JVSD current expense levies to be less than that amount.¹³

¹² R.C. 3317.01 and 3317.021.

¹³ R.C. 319.301(E)(3).

Millage floor revenue increases

A 2025 law requires that a school district or JVSD, in order to collect any revenue increases resulting from the district being on the 20-mill or two-mill floor, to annually declare to the county budget commission that it wishes to do so. Alternatively, the subdivision may declare its desire to forgo all or a portion of the increase.¹⁴ The county budget commission – a county board comprised of the county auditor, treasurer, and either the prosecuting attorney or a county commissioner – predominately is concerned with overseeing subdivision budgeting and revenue authority.¹⁵

¹⁴ H.B. 96 of the 136th General Assembly; R.C. 5705.29(E).

¹⁵ For more information about the functions and operation of a county budget commission, see the Legislative Service Commission's *Members Brief*, [Political Subdivision Budgeting Process \(PDF\)](#), which is available on LSC's website: lsc.ohio.gov.