Members Brief

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Author: Mackenzie Damon, Attorney
Reviewer: Sam Benham, Division Chief

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Voted Property Tax Levies

This members' brief summarizes each type of voted property tax levy, including a separate table for the levy options available to school districts, and is current through changes to tax levy law made by H.B. 96 and 129 of the 136th General Assembly.

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Voted property tax levies

Under the Ohio Constitution, property taxes that would cause the total rate levied on real property to exceed 10 mills per dollar, or 1%, of fair market value may not be levied unless the levy is approved by voters or is provided for in the charter of a municipal corporation.[1] Current law authorizes political subdivisions to levy property taxes in excess of this 10-mill limitation, subject to voter approval, to fund their operating expenses or, in some cases, permanent improvements or debt service. The characteristics of each authorized levy vary. Levies can generally be arranged into three categories:

- Those levied at a fixed rate (fixed-rate levies);
- Those levied at a rate that will generate a fixed sum of revenue (fixed-sum levies); and
- Those levied to pay the debt service on general obligation bonds (debt levies).

Under certain circumstances, multiple types of levies may be combined in a single ballot question.

[1] Article XII, Section 2 of the Ohio Constitution. In the Revised Code, the limitation is expressed as a limitation on the number of mills per dollar of "tax valuation," which is construed to mean the value subject to taxation, which is 35% of the property's true value in money.

Tax reduction factor and 20-mill floor

A fixed-rate levy is generally subject to tax reduction factors referred to as the "H.B. 920 tax reduction factors," which generally prevent taxing authorities from realizing additional property tax revenue when real property increases are reflected in a reappraisal or triennial update.[2] Separate tax reduction factors apply to (1) residential and agricultural property and (2) commercial and industrial property (described in law as "classes" of real property). When the value of existing real property within a property class increases from one year to the next, H.B. 920 tax reduction factors reduce the effective tax rate so that tax revenue from property in that class remains the same as the preceding year. The tax reduction factors do not apply to fixed-sum levies or debt levies.[3]

There are some exceptions to the tax reduction factor – one of which is the 20-mill floor, which guarantees that a school district's effective tax rate for operating expense levies cannot fall below 20 mills. Instead, the tax reduction factor can only reduce a school district's operating levy collections to 20 mills – once that "floor" is reached in a school district, the reduction factor cannot reduce effective rates any further. A similar two-mill floor applies to joint vocational school districts (JVSDs).[4]

Summaries of voted levies

The tables below distinguish between and summarize each type of levy, including whether the levy is subject to the H.B. 920 tax reduction factors and, in the case of school districts, those that are included in the 20-mill floor. The first table summarizes those types that may be levied by most taxing authorities, and the second summarizes the types that may be levied only by school districts. Most of the specialized school district levies were enacted in the last couple decades, and many were recently modified in the 136th General Assembly.[5]

Levies Available to Most Taxing Authorities		
Type of Levy	**Description of Levy**	**Subject to Tax Reduction Factors?**
Additional levy *(R.C. 5705.19, 5705.191, 5705.21, and*	Fixed-rate tax levied for, in general, a single purpose, most commonly for general or specified current expenses or permanent improvements. An additional levy is the most common type of property tax levy.	Yes

[2] For more information on property tax reduction factors, see the LSC Member's Brief entitled Property Tax Reduction Factor (PDF), available under the Publications tab on LSC's website, lsc.ohio.gov.

[3] R.C. 319.301. The tax reduction factors also do not apply to the extent that increased revenue comes from new construction.

[4] R.C. 319.301(E). For an in-depth discussion of the 20-mill and 2-mill floors, see the LSC Member's Brief entitled Property Tax Millage Floors for School Districts (PDF), available under the Publications tab on LSC's website, lsc.ohio.gov.

[5] See H.B. 96 and H.B. 129 of the 136th General Assembly.

Levies Available to Most Taxing Authorities		
Type of Levy	**Description of Levy**	**Subject to Tax Reduction Factors?**
various other sections of the Revised Code)		
Renewal levy *(R.C. 5705.191 and 5705.25)*	Levied to reauthorize an expiring levy at the same voted rate as the original levy while continuing to account for effective millage reductions to the original levy caused by the H.B. 920 tax reduction factors. Generally, taxing authorities can propose to renew a levy with either an increase or decrease. However, beginning in 2026, a school district may only renew a levy at its current effective rate or at a lesser rate.	Yes
Debt levy *(R.C. 5705.19 and 5705.218)*	Levied to pay principal and interest on capital improvement project debt.	No
Replacement levy *(R.C. 5705.192)*	**NOTE: After 2025, taxing authorities may not levy new replacement levies.** Levied to replace one or more existing levies, except for emergency levies, discussed below. A replacement levy could increase or decrease the tax rate of the existing levy or replace it at the same rate. Multiple levies could be combined into one replacement levy if both levies had the same purpose and if both were set to expire in the same year or both were levied for a continuing period of time. Unlike a renewal levy, a replacement levy's effective millage is nearly equal to the millage appearing on the ballot. In effect, it reset the effective millage of a fixed-rate levy nearly equal to the voted millage.	Yes, if replacing a fixed-rate levy

Levies Available to School Districts Only			
Type of Levy	**Description of Levy**	**Subject to Tax Reduction Factors?**	**Included in the 20-mill Floor?**
Fixed-sum levy (disaster or emergency declarations) *(R.C. 5705.194 to 5705.197)*	Beginning in 2026, a school district may levy a fixed-sum levy if it is in a fiscal emergency, watch, or caution declared by the Auditor of State or if the U.S. President or the Governor has declared an emergency in all or part of the district's territory, the district is impacted by the emergency, as determined by the Director of Education and Workforce at the time the question is being prepared to submit to voters, and the tax is proposed during the emergency declaration or within two years after it ends. Must be levied for current expenses, may be levied for up to five years, and may not be renewed.	No	Yes
Emergency levy *(R.C. 5705.194 to 5705.197)*	**NOTE: After 2025, school districts may not levy new emergency levies, but a previously adopted emergency levy may be renewed as a "fixed-sum" levy. Each levy must be renewed individually and can be subsequently renewed.** Fixed-sum tax levied to meet the "emergency" requirements of a school district or prevent an operating deficit.	No	Yes, beginning in the first tax year after 2025 in which a county undergoes a reappraisal or triennial update
Substitute levy *(R.C. 5705.199)*	**NOTE: After 2025, school districts may not levy new substitute levies, but a previously adopted substitute levy may be renewed as a "fixed-sum" levy. Each levy must be renewed individually and can be subsequently renewed.** Tax levied to replace one or more emergency levies with a single "substitute" levy. In its first year, the substitute levy would yield a stated, prespecified amount equal to the total annual proceeds derived from the levies being substituted. In each subsequent year, the levy would yield increasingly more revenue to the extent new construction is added to the tax list. For renewals after 2025, the levy must be	No	Yes, beginning in the first tax year after 2025 in which a county undergoes a reappraisal or triennial update

Levies Available to School Districts Only			
Type of Levy	**Description of Levy**	**Subject to Tax Reduction Factors?**	**Included in the 20-mill Floor?**
	renewed at the same sum or a lesser sum than the previous levy collected in its final year.		
Incremental levy *(R.C. 5705.212)*	Fixed-rate tax levied, in a single ballot measure, as an "original tax" and up to four additional "incremental" taxes for current expenses, phased in one per year.	Yes	Yes
Growth levy *(R.C. 5705.213)*	Fixed-sum tax levied to raise a fixed amount of money for current expenses that will raise additional revenue each year according to the dollar amount or percentage increase approved by voters.	No (although the statutes do not expressly exempt such levies)	Yes, beginning in 2026
Combined operating and permanent Improvement *(R.C. 5705.217)*	Fixed-rate tax levied for current expenses and permanent improvements in a single ballot issue.	Yes	Yes (current expenses levy only)
Combined debt levy *(R.C. 5705.218)*	Tax levied to pay debt charges on voter-approved general obligation bonds that may be combined with an additional fixed-rate property tax for permanent improvements, current expenses, or both in a single ballot issue.	No (debt levy only)	Yes (current expenses levy only)
Combined income tax and debt levy *(R.C. 5748.08)*	Levied to impose a school district income tax and a property tax to pay debt charges on permanent improvement bonds in a single ballot issue.	No	No
Combined income tax and property tax levy *(R.C. 5748.09)*	**NOTE: After 2025, school districts may not levy a combined income tax and property tax levy.** Levies a school district income tax and a fixed-sum property tax in a single ballot issue.	No	Yes, beginning in 2026
Conversion levy *(R.C. 5705.219)*	**NOTE: After 2014, school districts may not levy new conversion levies, but previously adopted conversion levies may be renewed.**	No	Yes, beginning in 2026

Levies Available to School Districts Only			
Type of Levy	**Description of Levy**	**Subject to Tax Reduction Factors?**	**Included in the 20-mill Floor?**
	Fixed-sum tax levied by school districts whose aggregate effective tax rate for current expense levies on residential/agricultural real property is above the 20-mill floor. A conversion levy repeals the effective millage in excess of 20 mills and re-levies it as a single fixed-sum levy for current expenses. The fixed-sum levy is excluded from the 20-mill floor computation. The repeal and re-levy of the "excess" millage causes the district to be at the 20-mill floor with respect to residential and agricultural property, and as a result, revenue growth on that millage will occur nearly proportionate to increases in the value of residential/agricultural real property increases.		