

# EMAO LEGISLATIVE COMMITTEE

October 27, 2025

**Members: Kathy Brown, Frances Ficke, Michelle Fitzgibbon, Brad Gilbert, Brain Hilvers, Jeff Klein, Alex McCarthy, Sarah McNamee, Ethan Raby, Sydney Renner, Ryan Shackelford, John Sphar, Jason Troyer, Jecy Weber, Chad Willrath**

## **Ohio Legislative Overview – Michelle Fitzgibbon**

- Five (5) tax reform House Bills have been moved from the House to the Senate for approval. (Please see attachment for additional details.)

  - House Bill 124 – Property Tax Ratio Process Modifications

  - House Bill 129 – Millage Floor Calculation & Fixed-Sum Levies

  - House Bill 186 – Reduce School District Property Taxes

  - House Bill 309 – County Budget Commissions

  - House Bill 335 – Limit Inside Millage Revenue Increases

- If the Senate passes an amended bill, the House will need to approve the amendments.
- The goal is to have these bills passed and signed into law by November 19; they will take effect 90 days after the Governor’s signature.
- EMAs should work with their county elected officials to identify what, if any, of these proposed bills affect their county operations.
- County EMAs should be prepared to discuss with their legislators the impacts on local operations. Legislators may be relying on more senior members of the House and may not fully understand how the funding impacts local operations.

## **Drone Legislation – Michelle Fitzgibbon**

- Both federal and state legislation is being introduced requiring drones and components to be made in the USA. Will this impact EMA operations? **Yes.**
- Most public safety drones are not made in the USA.
- Drones made in the USA are substantially more expensive.
- Most of the drones currently in use by public safety are DJI and will be on the banned list. With the banned list, we will not be able to use DJI drones in-house or for mutual aid.
- Drone legislation will be monitored, and more information will be provided as it becomes available.

## **Hosting Winter Legislative Day – Michelle Fitzgibbon**

- Is there an interest in possibly renting a meeting room at the Statehouse?
- In place of having an educational agenda, examples of possible activities include members scheduling appointments with their legislators, shadowing others meeting with their legislators, attending hearing testimony, etc.
- The committee views this as a great opportunity, and Michelle will look further into logistics.

## **Open Discussion**

### **Brad Gilbert**

- Is anyone facing funding issues based on the current EMPG funding/one-year status?
  - Sydney stated they have one county that did not get a paycheck due to the delay. No other delays were reported by those in the meeting.
  - Brad stated we need to remind our members that EMPG should not be used solely for day-to-day operations; rather, day-to-day operations should be the county's responsibility, and EMPG should be used to enhance capabilities.
- Jeff: This is part of a bigger picture. We need to work with members to advocate legislatively both internally and externally with elected officials.

### **Ethan Raby**

- Several months ago during the Lunch and Learn, talking points were discussed. Can these be distributed to the members?
- Ryan Shackelford: I have that and can send it out; just make sure you update it for your county.

### **Alex McCarthy**

- During a SERC Admin Committee hearing, the Chemical Facility Anti-Terrorism Standards (CFATS) were discussed regarding facility vulnerabilities. As this is regulatory and based on legislation, would anyone be opposed to having Jennifer Klein attend and provide a CFATS overview?
- Yes, there is interest, and Michelle will contact Jennifer Klein since their offices are in the same building and on the same floor.

### **Next Meeting**

Due to the next meeting date falling during Christmas week, our next meeting has been moved to January 26, 2026.

## Property Tax Reform Update in Ohio

Members of the Ohio House of Representatives passed several property tax reform proposals over the past several weeks. Hearings on the following bills will take place in the Ohio Senate Local Government Committee this week. Here are the five pieces of legislation, the fiscal analysis and a brief summary:

### **House Bill 124 – Property Tax Ration Process Modifications**

Passed the House 93-0

#### **Summary:**

Requires the Department of Taxation (TAX) to consider only a representative sample of arm's-length property sales submitted by county auditors when conducting sales assessment ratio studies as part of its function to adjust, or "equalize," proposed property values.

Authorizes TAX to appeal a county auditor's sample as unreasonable or unlawful to the Board of Tax Appeals (BTA).

#### **Fiscal Impact:**

The bill modifies the process for conducting the property tax sales assessment ratio study by requiring the Tax Commissioner to use a representative sample of arm's length property sales submitted by county auditors, rather than selecting samples independently.

This change may result in minimal administrative costs for both local governments and the Department of Taxation.

### **House Bill 129 Millage Floor Calculation-Fixed Sum Levies**

Passed the House 81-16

#### **Summary:**

Requires that current expense fixed-sum levies be included in the calculation of a school district's 20-mill floor or a joint vocational school district's 2-mill floor for property tax purposes, as follows:

Includes existing emergency and substitute levies in the first tax year, beginning in tax year 2026, in which a county in which the district has territory undergoes a reappraisal or triennial update.

Includes existing growth and conversion levies and fixed-sum property taxes levied with a school district income tax beginning in tax year 2026.

Allows school districts to levy property taxes that will generate a fixed sum of money in the following two circumstances:

A district that levies an emergency levy that was approved by voters before 2026 may be renewed once as a fixed-sum levy;

A district may levy a fixed-sum levy if it is in fiscal emergency, watch, or caution, or if the U.S. President or the Governor has declared an emergency impacting the district.

Requires that any new fixed-sum levy must be levied for current operating expenses, cannot be renewed, and may only be levied for up to five years.

**Fiscal Impact:**

The bill modifies the school district 20-mill floor calculation, resulting in slower annual property tax revenue growth for an estimated 180 school districts in the bill's first three years beginning with tax year (TY) 2026.

School district revenue losses statewide are estimated to be at least tens of millions of dollars per year for TY 2026 and thereafter. Correspondingly, GRF expenditures from item 200903, Property Tax Reimbursement – Education, are estimated to be lowered by several millions of dollars.

The bill has no effect on state aid to school districts through the school funding formula as presently designed.

**House Bill 186 Reduce School District Property Taxes**

Passed the House 73-23

**Summary:**

Authorizes a property tax credit for the owners of property located in a school district on the 20-mill floor property tax floor, with the goal of limiting a district's total property tax revenue growth from the floor to the rate of inflation.

Applies to all eligible property in the state beginning in tax year 2025.

Authorizes payments to school districts located in counties that underwent a reappraisal or update in tax years 2023 and 2024 so that such districts are temporarily guaranteed to receive at least the same amount of property tax revenue they received in tax year 2024.

Requires the first installment of those payments to be made from the Expanded Sales Tax Holiday Fund, which the bill appropriates, and cancels any expanded sales tax holiday scheduled to occur in August 2026.

**Fiscal Impact:**

The bill limits increases in property tax revenues resulting from voted levies that may be collected by school districts on the 20-mill or 2-mill property tax floors and that have undergone a property valuation reappraisal or update to the three-year rate of inflation. Under the bill, qualifying property owners will receive a credit (“Inflation Cap Credit”) for the excess amount of taxes charged and payable above the inflationary collections limit.

LBO projects that property tax credits will total \$432 million in tax year (TY) 2025, \$608 million in TY 2026, and \$633 million in TY 2027. The credit will be available to real property taxpayers in all 88 counties beginning in TY 2025 and years thereafter, but it will only be granted to real property owners to the extent that their local district’s applicable tax revenue exceeded the relevant inflation measure.

The bill provides state payments to guarantee that districts affected by the temporary Inflation Cap Credit (those located in counties that underwent a reappraisal or triennial update in TY 2023 or TY 2024) receive for TY 2025 or TY 2026 at least the same amount of real property tax revenue as the district received for TY 2024. The payments are estimated to cost the state and increase school district revenue by approximately \$360 million in FY 2027 and \$105 million in FY 2028.

The state payments in FY 2027 are funded by a cash transfer from the Expanded Sales Tax Holiday Fund (Fund 5AX1) to the School Revenue Temporary Offset Fund (Fund 7108) created by the bill. The bill appropriates from Fund 7108 the necessary amount in FY 2027 to make the payments for TY 2025, which, as stated above, is estimated to be \$360 million.

The bill prohibits an expanded sales tax holiday from occurring in August 2026.

### **House Bill 309 County Budget Commissions**

Passed the House 77-19

#### **Summary:**

Limits a requirement that county budget commissions (CBCs) approve all properly authorized voted property tax levies without modification to only the first five years of a levy’s collection.

Authorizes CBCs to reduce property tax levies, provided they are not otherwise required to approve them without modification, to avoid unnecessary or excessive collections.

Defines “unnecessary collections” as those beyond the reasonably anticipated financial needs of the taxing authority for the specific purpose of the tax after accounting for current fund balances, projected expenditures, and other available

funding sources.

Defines “excessive collections” as those in an amount or a rate that exceeds what is required to provide services at a level that is consistent with statutory obligations.

Limits CBC authority to reduce levies collected for the use of majority-elected taxing units below what the levies collected in the prior year or, for school districts, below 20 mills except by request of the school district.

Provides that school districts will not lose state education funding when levying less than 20 mills of property tax for current operating expenses if doing so under an adjustment made by the CBC pursuant to a request authorized under current law.

Requires the Tax Commissioner to annually adjust the rate of a fixed-sum levy so that it will continue to raise the sum approved by voters and to certify that adjustment to county auditors.

**Fiscal Impact:**

The bill updates county budget commission procedures to enhance oversight and levy adjustments. The fiscal effect is indeterminate.

**House Bill 335 – Limit Inside Millage Revenue Increases**

Passed the House 71-24

**Summary:**

Requires each county budget commission (CBC), in the county’s reappraisal or update year, to adjust the rate of each inside millage levy so as to limit any increase in its revenue to the GDP deflator growth over the three preceding years.

Allows a subdivision to request that the CBC increase the levy rate so as to collect the same amount as the previous year if the subdivision’s inside millage collections would not increase in a reappraisal year.

Allows a subdivision that elects to temporarily reduce an inside millage levy to base the calculation of the bill’s limit in subsequent years on the collections of the year preceding the voluntary reduction.

Allows a municipal corporation or school district to reduce the rate of current expense inside millage levies to account for revenue from a new or increased municipal or school district income tax.

Requires a municipal corporation or school district seeking to increase an inside millage rate so reduced, or a county seeking to increase an inside millage rate reduced pursuant to a sales tax increase, to have the increase approved by the CBC

before it can take effect.

**Fiscal Impact**

The bill limits growth in property tax revenues from inside millage levies – those ten mills that can be levied by local governments without voter approval – by the gross domestic product (GDP) deflator over the preceding three years.

LBO estimates that the GDP deflator cap will reduce statewide inside millage revenue by approximately \$120 million to \$135 million in tax year (TY) 2026, \$195 million to \$250 million in TY 2027, and \$305 million to \$378 million in TY 2028.