



House Bill 335 - Summary of Key Changes

“Property Tax Relief NOW Act”

[HB 335](#) combines elements from three previously introduced bills ([HB 129](#), [HB 186](#), and [HB 309](#)) into comprehensive property tax legislation. While framed as property tax relief, the bill would eliminate over \$1.5 billion in annual school district revenue with no replacement funding mechanism.

1. INSIDE MILLAGE ELIMINATION

- **What it does:** Eliminates authority for school districts to levy unvoted property tax millage (inside millage)
- **Financial impact:** \$1.991 billion lost by school districts annually¹
- **Who’s affected:** Only townships retain inside millage authority

2. PROPERTY TAX CREDIT – 20-MILL FLOOR (FROM HB 186)

- **What it does:** Limits property tax revenue growth to inflation rate for districts at the 20-mill floor
- **How it works:** Property owners receive credits when valuations rise faster than inflation
- **Financial impact:** \$41.9 million initially, growing to \$64.4 million by 2026²
- **Problem:** Creates different tax rates for identical properties in different locations

3. COUNTY BUDGET COMMISSION AUTHORITY (FROM HB 309)

- **What it does:** Allows county budget commissions to reduce voter-approved levies
- **When it’s triggered:** District cash balances exceed 30% of annual expenditures
- **Problem:** Administrative override of voter decisions

4. LEVY RESTRICTIONS (FROM HB 129)

- **What it does:** Eliminates emergency and substitute levies. Limits purpose of fixed-sum levies. Includes fixed-sum levies in 20-mill calculation.
 - **Impact:** Removes flexible funding tools
 - **Problem:** Forces districts to ballot more frequently
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KEY IMPACTS

On School Districts:

- **\$1.5+ billion** eliminated annually with no replacement funding¹
- **19,923 teachers** could lose jobs (1 in 5 statewide)¹
- **Larger class sizes** and **eliminated programs**
- **More frequent levy elections** as districts scramble for revenue

On Communities:

- **Lower property values** as school quality declines
- **Economic development challenges** due to workforce concerns
- **Constitutional legal challenges** creating uncertainty

IMPLEMENTATION TIMELINE

If passed in budget:

- **January 2026:** Inside millage elimination takes effect
- **2026:** Property tax credits and county authority begin
- **“Stacking effect”:** Multiple cuts compound simultaneously

Timing Complexity: School districts operate on fiscal years (July-June), while property taxes are assessed on tax years (January-December) and collected throughout the following year. This creates an 18-month lag between planning and revenue receipt, making mid-stream changes extremely disruptive to district operations.

Market Conditions: Legislative Budget Office analysis shows property value growth naturally moderating by 2026-2028, with future increases “far below what the state has experienced in recent years.”² HB 335 would implement permanent structural changes just as we’re coming out of this unusual period of rapid property value growth.

CONSTITUTIONAL CONCERNS

- **Non-uniform taxation:** Identical properties pay different rates based on location
- **Voter override:** County commissions can reduce voter-approved levies



- **Equal protection:** Unequal treatment based on district timing of property assessment and location

SOURCES

¹ Ohio Education Policy Institute, “[Impact of the Proposed Elimination of Inside Millage](#),” June 2025

² Ohio Legislative Service Commission, [HB 186 Fiscal Note & Local Impact Statement](#), April 23, 2025

³ Ohio Legislative Service Commission, [HB 129 Fiscal Note & Local Impact Statement](#), May 7, 2025