



Property Tax Reform Presentation

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George Kaitsa
Delaware County Auditor



Property Tax Reform Implications for Delaware County

For tax year 2025 tax bills payable in 2026:

- Taxpayers owning property in the Big Walnut, Buckeye Valley, and Delaware City school districts will receive an “inflation tax credit” on their second half tax bill. The dollar amount of the credit has not been determined at this point. The amount of the credit will be calculated by the Ohio Department of Taxation and provided to our office before the second half tax bills are prepared for mailing.
- Taxpayers owning property in the Olentangy, Dublin, and Westerville school districts will not receive the credit because those school districts were not at the 20 mill floor during the reappraisal in 2023.
- Any increases in the 2025 tax bills are the result of levies passed by the voters in 2025.
- Additional property tax reform will take effect in calendar year 2026 for the 2026 tax bills payable in 2027.
- The school districts at the 20 mill floor will not lose any revenue for school operations because the revenue lost due to the “inflation cap credit” will be backfilled by the state from other revenues available at the state level from the sales tax holiday.



Property Tax Reform Implications for Delaware County

For tax year 2026 tax bills payable in 2027:

- For any school districts at the 20 mill floor, property taxes will not increase by more than the rate of inflation as a result of the 2026 triennial update in Delaware County. The adjustment will be limited to the rate of inflation rather than the increases in property values resulting from a reappraisal. This adjustment applies to the inside (unvoted) millage as well as the adjustment for any school districts at the 20 mill floor.
- Any increases in property taxes above the rate of inflation will be the result of levies passed by the voters in 2026. Voted levies will continue to be lowered by the tax reduction factor to offset the increases in property values resulting from a reappraisal.
- Replacement levies will no longer be allowed to be placed on the ballot to eliminate the confusion with renewal levies.
- The nonbusiness credit will begin to be phased out and the owner occupancy credit will be increased. For tax year 2026 tax bills, the nonbusiness credit will be reduced to 7.5% and the owner occupancy credit will be increased to 5.7% from the current 2.5%.



Property Tax Reform Implications for Delaware County

- Land used for agriculture will continue to receive the nonbusiness credit.
- The complete phase-out of the nonbusiness credit will occur with the tax bills for tax year 2029 when the owner occupancy credit increases to 15.38 % and the nonbusiness credit is eliminated except for agricultural land.
- There will be fewer school districts at the 20 mill floor because all school levies for current expenses (operations) will be included in the 20 mill floor calculation. In the past, emergency levies and substitute levies were not included in the calculation of the 20 mill floor.
- The next sexennial reappraisal for Delaware County will be moved to 2030 from 2029 based on the new schedule adopted by the Department of Taxation.



Inflation Cap Credit

Estimated Amount of the Inflation Cap Credit by School District Resulting for the 2023 Sexennial Reappraisal

- | | |
|------------------------------------|---------------|
| 1. Big Walnut School District: | \$3.8 million |
| 2. Buckeye Valley School District: | \$3.4 million |
| 3. Delaware City School District: | \$3.1 million |
| 4. Delaware Area Career Center: | \$3.6 million |

Please note that the school districts and the Delaware Area Career Center will be held harmless by the state for the revenue lost as the result of the inflation cap credit.



Inflation Cap Credit

Preliminary Estimate of the Credit

- Big Walnut School District: \$136.00 per \$100,000 of market value
- Buckeye Valley School District: \$143.00 per \$100,000 of market value
- Delaware City School District: \$129.00 per \$100,000 of market value

Source: Legislative Services Commission

Property Tax Reform Legislation



- HB 186
 - Inflation cap credit
 - Owner occupancy credit from 2.5% to 15.38%
 - Phase-out of non-business credit (10% Rollback)
- HB 335
 - Inflation cap on inside millage for all jurisdictions
- HB 129
 - Include all levies used for current expenses in the 20 Mill Floor (Emergency and Substitute Levies)
- HB 309
 - Codifies Supreme Court decision
 - Budget Commission can reduce voted levies after 5 years
 - Introduces “Unnecessary Collections” and “Excessive Collections”
 - Provides school district safe harbor
- HB 124
 - Auditor to determine valid sales for use in county reappraisals



Tax Reduction Factor and Voted Levies

(Hypothetical Example for Illustration)

- A voted levy should generate the same amount of tax as the amount of tax before a reappraisal.
- The tax reduction factor reduces the voted tax rate to offset the increase in the property value.
- Home value @\$100,000; voted tax rate @ 10 mills
 - Taxable value is 35% of \$100,000 or \$35,000
 - Tax = $(\$35,000 / 1000)$ times 10 mill = \$350



How the Tax Reduction Factor Works

- After a reappraisal, a home value increases to \$150,000 @ 10 mills and without the application of the tax reduction, the property tax on the home would increase to \$525 from \$350.
- Taxable value is 35% of \$150,000 or \$52,500
- Tax = $(\$52,500 / 1000)$ times 10 mills = \$525
- The tax reduction factor reduces the voted tax rate to 6.67 mills.
- Tax = $(\$52,500 / 1000)$ times 6.67 mills = \$350
- The property tax on the home value of \$150,000 is \$350 because the tax rate has been reduced from 10 mills to 6.67 mills by the tax reduction factor.



The 20-mill Floor

- Ohio law guarantees school districts receive a minimum of 20 mills of taxes
- General fund inside millage and current expense levies count towards this “20-mill floor”
- After a school district reaches the floor, when values go up, the tax rate cannot be adjusted downward. This causes school taxes to increase 1:1 with values on those levies.
- As a result of the 2023 Sexennial Reappraisal , many property owners within school districts operating at the floor received tax increases of 15% to 17%.
- Property owners in school districts that were not on the 20 mill floor saw tax increases of 4%.



20-mill Floor Proposal

- Before the passage of H.B. 186 Ohio law guaranteed that school districts receive a minimum of 20 mills of taxes for current expenses.
- If a district is at the floor, the effective tax rate on certain levies cannot be adjusted downward when property values increase.
- H.B. 186 limits future growth to an inflationary index.



School District at 20-mill Floor

- School district has two current expense levies each at 10 mills.
- Home value @\$100,000; current expense levies @ 20 mills; school property tax on the home is \$700.
- Tax = $(\$35,000/1000)$ times 20 mills = \$700
- Home value increases to \$150,000 due to a reappraisal.

Note: If the tax reduction factor applied to school districts at the 20 mill floor, both 10 mill levies would be reduced to 6.67 mills for a total of 13.34 mills.
- Tax = $(\$52,500/1000)$ times 13.34 mills = \$700



Before H.B. 186 was enacted:

- Because the school district is at the 20 mill floor the 13.34 mills is restored to 20 mills.
- Tax = $(\$52,500/1000)$ times 20 mills = \$1,050
- The tax on the \$150,000 home value increased to \$1050.
- The school district receives a windfall of \$350 in additional tax revenue due to the 20 mill floor.

After H.B. 186:

- The increase in taxes would be limited to the rate of inflation for the preceding three years before the reappraisal.
- Assume that the rate of inflation was 3% per year.
- The tax would increase by 9% and the tax = \$700 plus 9% increase
- Tax = \$700 plus 9% = \$700 plus \$63 = \$763, not \$1,050.
- Property taxes are limited to the rate of inflation and are uncoupled from the uncontrolled growth of real estate prices.



2026 Triennial Update Reappraisal Trends

Location	<u>Reappraisal Trend for 2026</u>
Powell	17%
Liberty Twp.	15%
Concord Twp.	16%
Orange Twp.	16%
Orange Twp. Cols Corp	20%
Delaware County	17%



2025 Residential Sales Activity (Valid Sales: Single Family and Condos)

2025 Residential Sales Activity (Valid Sales: Single Family and Condos)

Location	<u>2025 # of Sales</u>	<u>2025 Average Sale</u>	<u>2025 Sales Volume</u>	<u>2024 Average Sale</u>
Powell	175	665,400	\$116.4 Million	614,200
Liberty Twp.	274	683,750	\$211.6 Million	638,850
Concord Twp.	163	761,650	\$112.0 Million	724,025
Orange Twp.	318	576,000	\$183.2 Million	574,000
Orange Twp. Cols Corp	52	386,400	\$20.1 Million	365,700
Delaware County	2557	558,200	\$1.427 Billion	546,100



Other Topics

Property Valuation Complaint Forms

- Must be filed by March 31, 2026
- Must provide evidence to support the value change
- Administrative process for residential properties
- Link: <https://auditor.co.delaware.oh.us/wp-content/uploads/sites/23/2023/01/dte-dte1.pdf>



Other Topics

Homestead Exemption Application

- Can be filed any time in 2026
- Must file a Form DTE 105A
- Must own the property on January 1, 2026
- Current Reduction Amount: \$29,000
- Income Test: \$41,000 based on 2025 income
- Can file as a late applicant for 2025 if turned 65 in 2025



Other Topics

Owner Occupancy Application

- Must be the primary residence on January 1, 2026
- Must file a form DTE 105C



Questions?