

Property Tax Definitions

Renewal Levy - Voter approved levy to extend the term and purpose of an expiring levy while considering original property valuations at the time of passage. If passed at the identical mills as the original levy, a renewal levy normally will not change the amount of tax paid.

Replacement Levy - Voter approved levy to extend the term and conditions of an expiring levy. Unlike renewal levies, replacement levies takes the present day property valuation into consideration. If passed at the identical mills as the original levy, a replacement levy will normally increase tax if the value of property has risen since the original passage of the levy.

(An ADDITIONAL or NEW LEVY will increase taxes)

Special Assessments - Taxes from your city, township, or county to cover the cost of improvements or services.

Property Tax - A tax on the real property owned by residents and businesses. Property tax includes the land and structures.

Mill - Property tax is measured in mills. A mill means 1/1,000. Therefore, each mill generates \$1 of taxes for every \$1,000 of a property's assessed value.

Tax Rate - The property tax rate paid by a business or individual supports the schools, libraries, townships, municipalities, career technical schools, park system and county-wide services. The rate includes voted millage and 10 mills of un-voted taxes guaranteed by the Ohio Constitution.

Taxing District - A geographic area that possesses unique taxing attributes.

Inside Millage - The Ohio Constitution guarantees 10 mills of un-voted (also called inside millage) mills for each taxing district in Ohio. The amount is allocated among various local political subdivisions.

Outside Millage - Millage that has been voted on by residents.

Continuous Levy - Millage that has been allocated for an unlimited period of time, either through state allocation or voter approval.

Limited-Term Levy - Levies that expire after a specified period of time.

Gross Millage - Total mills approved before application of tax reduction factors.

Fixed Income Status - Under Ohio law, the money a property tax levy collects cannot increase beyond the sum collected in its first year, except for added value from new construction during the first year. This became law in 1976 with the passage of Ohio House Bill 920 which reduces the tax rate as property values in a district increase during triennial reappraisals and updates.

Reduction Factor - A formula applied to the class of business property, and the class of property comprised of residential and agricultural properties in a taxing district so that Fixed Income Status will be maintained during triennial reappraisals and updates. Specifically, tax reduction factors equal the percent by which the sums levied for a particular levy would need to be reduced so that the current year's taxes equal the prior year's net taxes.

Rollback - Two tax relief measures granted by the state for homeowners - 10% rollback on all real property tax in 1971 and a 2.5% rollback in 1979 for owner-occupied properties.

(Effective November 2013, state budget changes eliminated the 10% and 2.5% rollback on certain levies. Also, the 10% rollback is now the Non-Business Credit and the 2.5% rollback is the Owner Occupied Credit).

Effective Tax Rate - The tax rate after the tax reduction factor is applied is the effective tax rate. You are protected from un-voted increases in taxes by Ohio Legislation known as House Bill 920. Passed in 1976, HB 920 reduces your rate as property values in your district increase during triennial reappraisals and updates.