Understanding the Impact of Ohio House Bill 186 on Your Property Taxes

What is Ohio House Bill 186?

House Bill 186 is new Ohio property tax legislation that limits how much a property's taxable value can increase following a reappraisal or triennial update. Property value increases are capped at the rate of inflation, calculated using the GDP Deflator over the three years since the last valuation.

How This Affects Chillicothe City School District Taxpayers

- Actual valuation increase in our district: 28.25%
- State inflation cap (GDP Deflator for 2025 Update): 13.30%
- Your property's market value remains the value determined by the county appraisal process. However, House Bill 186 limits the increase in taxable value used to calculate taxes to the inflation-adjusted cap of 13.30%.
- Rather than receiving a refund check, taxpayers will receive a credit on their property tax bill that reduces the taxes owed on the portion of value above the 13.30% cap.

What You Will See on Your Tax Bills

- First Half 2026 (Spring) Tax Bill: Full increase appeared. No credit applied yet.
- Second Half 2026 (Fall) Tax Bill: Because the law took effect after the First Half 2026 bills were calculated, the tax relief that should have appeared on the First Half bill will instead be included on the Second Half 2026 bill. As a result, taxpayers will see a larger-than-normal credit on their Second Half 2026 bill.
- First Half 2027 Tax Bill and moving forward: A single credit will be applied. Bills will increase compared to second half 2026 as the 'double credit' ends.

Why Bills Will Fluctuate

These changes are due to the timing of the state legislation, which was not effective in time to be implemented on First Half 2026 Tax Bills. The First Half 2027 bill may appear higher than the Second Half 2026 bill because the one-time catch-up credit will no longer apply. This does not represent a new tax increase; it reflects a return to the normal credit amount under House Bill 186.

Important Reminder

House Bill 186 limits certain increases in taxable property value to the rate of inflation when property valuations rise faster than inflation. Taxpayers will receive bill credits to account for the difference. Because the law became effective after First Half 2026 tax bills were calculated, taxpayers will see temporary fluctuations in the timing of those credits during 2026.

Note: Individual tax bills may vary based on property classification and other factors. This flyer is intended to provide a general explanation of House Bill 186's impact on Chillicothe City School District taxpayers. For questions, feel free to contact Nick Rose at 740-775-4250 or nick.rose@ccsd.us