

Public Libraries and Property Taxes

Ohio's Public Libraries Depend on State and Local Funding

Ohio's public libraries rely on a combination of **state funding and locally approved property taxes**.

- **48%** of library funding comes from the state through the **Public Library Fund (PLF)**
- **52%** of library funding now comes from **local property taxes**.

Ohio has **251 public library systems**:

- **203** rely on a local property tax levy
- **48** do not have a local property tax levy

Libraries only have **two primary revenue sources**:

1. State funding through the **Public Library Fund (PLF)**
2. Local **property tax levies approved by voters**

Libraries **do not receive funding from**:

- County **sales taxes**
- City **income taxes**
- School district **income taxes**
- State revenue from **casino taxes**
- State revenue from **marijuana taxes**

Local property taxes are therefore **critical to maintaining library services**.

Libraries are a Small Portion of Property Taxes Statewide

Property taxes generate a total of **\$24 billion** annually statewide.

Libraries account for **only 2.5% of all property taxes collected statewide**.

Yet this small share provides the **primary local funding that keeps libraries open and serving communities**.



Proposed Constitutional Amendment

A proposed constitutional amendment currently being circulated would **eliminate property taxes statewide beginning January 1, 2027**. The proposal **does not include a plan to replace the funding** currently provided through property taxes.

How Eliminating Property Taxes Would Impact Libraries

Without local property tax funding, libraries across Ohio would face **immediate and severe financial challenges**.

Potential impacts include:

- **Service reductions** – fewer programs, shorter hours, and potential branch closures
- **Loss of local control** – communities would lose their ability to vote on and support library funding
- **Weakened partnerships** – schools, workforce programs, nonprofits, and community initiatives would be affected

Protecting Libraries Means Protecting Opportunity

Libraries across Ohio are **locally supported, widely used, and deeply trusted**.

Protecting local funding means protecting services that residents rely on every day:

- Early literacy and educational programs like homework help and summer reading
- Job skills training and job seeking support
- Technology and internet access
- Community programming and practical services like printing/copying

Libraries are not extras. They are essential infrastructure for education, economic opportunity, and community life.

Eliminating property taxes without a replacement funding plan would put Ohio's public libraries—and the communities they serve—at risk.

Important Resources:

OBM Memo

<https://archives.obm.ohio.gov/Files//Memo/Impact%20Property%20Tax%20Abolish%20Memo%20February%202026.pdf>

Policy Matters Ohio Report

<https://policymattersohio.org/research/ohio-property-tax-repeal-would-gut-school-budgets-critical-services/>

Multi-Firm Bond Counsel Memo

<https://basa-ohio.org/wp-content/uploads/2026/03/Property-Tax-Abolition-Bond-Counsel-Legal-Summary25358137.pdf>

Tax Foundation Report

<https://taxfoundation.org/research/all/state/property-tax-repeal-replace-revenue/>

INITIATIVE PETITION
Amendment to the Constitution
Proposed by Initiative Petition
To be submitted directly to the electors

To the Attorney General of Ohio: Pursuant to Ohio Revised Code §3519.01(A), the undersigned electors of the State of Ohio, numbering in excess of one thousand, hereby submit to you the full text of a proposed Amendment to the Ohio Constitution and a summary of the same.

TITLE

Abolishment of Taxes on Real Property

AMENDMENT SUMMARY

The proposed amendment would add Section 14 to Article XII of the Constitution of the State of Ohio. The proposed amendment would abolish taxes on real property and prohibit any future taxes on real property. As used in this Section, "real property" includes land itself, all growing crops therein, and all buildings, structures, and improvements permanently attached to the land. This amendment shall take effect on the first day of the year after it is passed.

CERTIFICATION OF THE OHIO ATTORNEY GENERAL

This certification of the Ohio Attorney General, pursuant to Ohio Revised Code §3519.01(A), will be inserted when it is provided. This initiative petition must be submitted with at least one thousand (1,000) valid signatures of Ohio electors before the Ohio Attorney General will issue that certification.

COMMITTEE TO REPRESENT THE PETITIONERS

Elayne Cross	321 Suzanne Dr., Kent, Ohio 44240
Keith Davey	2131 Riverside Dr., Lakewood, Ohio 44107
Leonard Gilbert	6812 Glencairn Ct., Mentor, Ohio 44060
John Marra	39 Minnewawa Dr., Timberlake, Ohio 44095
Brian Massie	8196 Rainbow Dr., Concord, Ohio 44077

FULL TEXT OF THE PROPOSED AMENDMENT

Be it Resolved by the People of the State of Ohio that the Constitution of Ohio is hereby amended to add Section 14 to Article XII to read as follows:

Section 14. Abolishment of Taxes on Real Property.

(A) No real property shall be taxed, and no law shall impose any taxes on real property.

(B) No other provision of the Constitution shall impose any taxes on real property.

(C) As used in this Section, "real property" includes land itself, all growing crops therein, and all buildings, structures, and improvements permanently attached to the land.

This Amendment shall take effect on the first day of the year after it passes.



To: Governor Mike DeWine
From: Kimberly Murnieks *KAM*
Date: February 4, 2026
Re: Consequences of Local Property Tax Abolishment

A [proposed constitutional amendment](#) would eliminate property taxes in Ohio and permanently ban them statewide, cutting off a critical source of funding for local schools, police and fire departments, emergency services, and other essential community services. This memo provides a high-level summary of the impacts of such an amendment; if the issue makes the ballot, OBM will provide a detailed analysis in accordance with [Ohio Revised Code Section 3519.04](#).

While the State of Ohio does not collect property taxes, Ohio's cities, counties, townships, and school districts have long depended on them to pay for the services residents rely on every day. Today, property taxes, including real property and public utility personal property taxes, generate about **\$24 billion each year** for local governments across the state. To put this into perspective, that's equal to the total revenue from Ohio's state income and sales taxes combined.

Eliminating property taxes would immediately destabilize local budgets and force deep cuts to essential services, reducing or eliminating funding for local law enforcement, first responders, and schools, delaying road and infrastructure repairs, and threatening services for seniors and people with disabilities.

Catastrophic Impacts on Essential Local Services: Local property taxes support approximately [65 percent of local tax revenue in Ohio](#). If eliminated, specific effects would include:

- **Public Education:** Roughly three-fifths of the local property tax revenue collected each year supports local school districts. If local property taxes were abolished, schools would be forced to lay off thousands of personnel, leading to larger class sizes school closings, and program cuts.
- **Police, Fire, and EMS:** Local safety forces rely heavily on property tax levies; repeal would lead to station closures especially in smaller communities and townships, dramatically reduced staffing, and slower emergency response times.
- **Libraries, Parks, Health and Human Services, Senior Supports:** These services, funded through local levies, would face severe cuts or elimination, reducing community quality of life. Programs for seniors and health, recovery, and developmental disabilities services would lose stable funding, increasing strain on hospitals and state systems.

Revenue Replacement Challenges: The state budget already pays a portion of homeowners' local property tax bills through the homestead exemption for seniors and residents with disabilities, and through the tax credit for residential homeowners. These state-funded [programs](#) reimburse local governments and schools more than \$2 billion each year in property taxes that would otherwise be paid by Ohio residents. Replacing another \$20 billion or more if local property tax revenue is abolished would be fiscally impractical and economically harmful.

- **If replaced by Income Tax:** After more than two decades of careful policy planning and implementation, Ohio achieved a flat state income tax of 2.75 percent in tax year 2026, the second-lowest rate of any state in the country which levies an income tax, providing a competitive economic environment. Ohio's state personal income tax generated \$10.5 billion in FY 2025. According to [analysis by the Tax Foundation](#), **income tax rates across Ohio would need to quadruple or more, reaching 11–15 percent statewide, to replace local property tax levies.** If replacement income taxes were levied locally, then the income tax rate would need to reach 27 percent in some counties. Such rates could exceed even the top brackets of states with high rates and progressive income tax structures, such as California. High tax rates would discourage future economic development, dampen investment, increase tax migration, and disproportionately burden low-income households.
- **If replaced by Sales Tax:** Ohio's statewide sales tax is a moderate 5.75 percent, and generated \$14 billion in FY 2025. Ohio is near the middle nationally for combined state and local rates. **OBM, after consulting with the Ohio Department of Taxation, estimates that replacing local property tax would require state sales tax rates approaching 15–18 percent, significantly higher than any other state.** Such astronomical increases would drive citizens and businesses to tax avoidance, pushing consumer spending out of state especially in border counties, harming small businesses and local economies. To moderate the potential rate increase, **the sales tax base could be broadened to tax food, healthcare, or other goods or services that are currently exempt.** Note that base-broadening would require statutory and, in some cases, constitutional, changes.

Additional Risks and Considerations:

- **Volatility:** Property taxes give local governments a steady, predictable source of funding that supports essential services year after year. In contrast, income and sales taxes swing sharply during economic downturns, leaving communities vulnerable to budget shortfalls when residents need public services the most.
- **Loss of Local Control:** Local property taxes empower residents to shape their communities through direct voting and accountability, ensuring that decisions about spending and priorities remain in the hands of local citizens. By approving or rejecting property tax measures, voters exercise real control over service quality, scope, and responsiveness.

- **Maintenance of Public Schools:** In addition to catastrophic impacts to operating revenue, eliminating local property taxes would strip school districts of their most stable funding source for building upkeep. Without revenues, districts would struggle to pay for essential repairs like roof replacements, HVAC systems, and safety upgrades. Deferred maintenance leads to deteriorating facilities, higher long-term costs, and unsafe learning environments.
- **Local Government Debt and Bond Ratings:** Local governments rely on property tax revenue to secure bonds for infrastructure projects, schools, and public safety facilities. If this revenue stream disappears, currently outstanding debt would likely be declared immediately in default, leading numerous bondholders to file lawsuits, and credit agencies would view municipalities as higher-risk borrowers, causing credit ratings to drop. Lower ratings mean higher interest rates on future borrowing, reducing the ability to finance school facilities, roads, water systems, and emergency services. Ultimately, taxpayers would pay more for less infrastructure as borrowing would become costlier and less accessible.
- **State of Ohio Credit Ratings:** In the past few years, the state of Ohio achieved top AAA/Aaa bond ratings from all three major credit rating agencies for the first time in history. The ripple effect of eliminating local property taxes would reach the state level. Local credit downgrades would lead to reputational risks for the state and widespread financial instability among local governments and school districts could trigger fiscal crises and calls for state intervention that would strain resources beyond capacity. Lower state credit ratings would increase borrowing costs for major projects and undermine investor confidence in Ohio’s fiscal management, jeopardizing economic development and straining the state budget.

The state of Ohio is fiscally responsible, and our current system of state and local taxation is balanced and stable. Recognizing that increased property tax burdens are a top concern for Ohioans, the legislature adopted a package of four bills in 2025, [HB 186](#), [HB 335](#), [HB 129](#), and [HB 309](#), to curb unvoted property tax increases and provide over \$3 billion in additional relief to homeowners over the next few years. These reforms cap automatic growth in school and local government taxes at the rate of inflation, tighten levy oversight, and adjust credits to favor owner-occupied homes while phasing out non-business credits. OBM recommends continued work with the legislature to implement additional [recommendations of the Property Tax Working Group](#) while maintaining our bedrock local property tax system.

As this analysis demonstrates, a constitutional amendment to abolish local property taxes, with no plan to replace the lost revenues, would quite literally “defund” the police – and fire departments, schools, libraries, senior centers, and other local government services – in our communities statewide.