

On June 30, 2025, Governor DeWine signed Amended Substitute House Bill 96, providing State appropriations for its 2025-2027 biennium (beginning July 1, 2025, through June 30, 2027) and enacting other statutory provisions (the Budget Bill). In doing so, the Governor exercised his authority under the Ohio Constitution to veto individual provisions of the Budget Bill. In his accompanying [veto messages](#), the governor vetoed 67 items from the Budget Bill and articulated his reasons for those vetoes. The 67 items vetoed represent the largest number of vetoes Governor DeWine has used since becoming Governor in 2019.

In what was a surprise to many, the Governor vetoed the most significant of the so-called “property tax reform” provisions – and certain other education-related provisions – in the Budget Bill.

For public school districts, those included provisions that would have (i) limited a cash carryover balance to no more than 40% of its expenditures in the prior fiscal year through property tax reductions; (ii) substantially redefined the calculation of the “20-mill floor,” including inclusion of fixed-sum levies; (iii) eliminated authority to levy fixed-sum levy types, including emergency and substitute levies, and “renewal and increase” levies, beginning with elections held on or after January 1, 2026; (iv) provided for a Nonchartered Educational Savings Account Program permitting students attending nonchartered nonpublic schools to receive State funding for tuition and other school expenses through an “educational savings account”; (v) provided for partisan board of education elections; and (vi) prohibited boards of education from entering into supplemental benefit arrangements to pay employee contributions to the State Teachers Retirement System (STRS) on behalf of superintendents and principals, and School Employees Retirement System (SERS) on behalf of treasurers.

For local governments generally, those included provisions that would have (i) significantly redefined and expanded a county budget commission’s authority relating to the levy of taxes by constituent political subdivisions; and (ii) eliminated authority to levy “replacement” levies beginning with elections held on or after January 1, 2026.

As to the vetoes of property tax reform provisions, Governor DeWine indicated in his veto messages that he plans to “convene a working group that will include legislators, agency officials, school officials, community members, and property tax experts to ensure this critical topic (property tax reform) is given the attention deserved.”

Provisions affecting local governments that were not vetoed and now become law include (i) reduction in the membership of the State Board of Education from 19 to five members, to be appointed by the Governor instead of being elected; (ii) changing funding of the Public Library Fund (PLF) from receiving monthly allocations from 1.7% of State General Revenue Fund revenues to instead receiving one-twelfth each month of an annual PLF appropriation from the General Assembly, which will be set at \$490 million in fiscal year 2026 and \$500 million in Fiscal Year 2027 (a reduction from \$504.6 million for Fiscal Year 2025); and (iii) requiring the legislative authority of a political subdivision to adopt a cybersecurity program and imposing certain reporting requirements in the event of a cybersecurity incident.

With the Budget Bill now signed and the veto messages provided, the General Assembly may consider whether to override one or more of the vetoes.

Any such consideration will start in the House of Representatives, the chamber within which the Budget Bill originated. The question of the override of any vetoed item must be voted on separately and receive at least a three-fifths majority in each of the House and Senate, i.e., at least 60 votes in the House and 20 in the Senate. An override vote on any vetoed item can be made at any time during the current two-year legislative session, which ends on December 31, 2026. It is widely expected that overrides, if any, would be considered much sooner.

Our Public Finance team has and continues to follow closely developments on the Budget Bill and other related legislation pending with the General Assembly, and will provide additional updates as the facts warrant. Please contact one of our lawyers for additional guidance and information.

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