



Lawrence County Auditor
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Chairman Merrin, Vice-Chair LaRe, Ranking Member Rogers, and members of the House Ways and Means Committee. Thank you for allowing me the opportunity to provide proponent testimony for House Bill 439, which seeks to adjust the Homestead Exemption for inflation.

My name is Paul Knipp. I am the Lawrence County Auditor and I'm here representing the citizens of Lawrence County.

The Homestead exemption is a great benefit for many property owners in Ohio who qualify. It provides a reduction in the amount of taxes that would be due from some of the more vulnerable citizens of our state, namely our senior citizens, and the disabled, by reducing the property value upon which their taxes are calculated. Inevitably, it results in a reduction in the amount that would be due from those individuals.

In its current form, the Homestead exemption allows low-income seniors and disabled veterans to reduce their property tax burden by lowering the market value of their homes. For homeowners who are permanently and totally disabled, or are at least 65 years of age and meet the income guidelines, that reduction equals \$25,000 of the market value. For disabled veteran homeowners who qualify, the exemption is \$50,000 of the market value.

Most homeowners in Ohio who qualify for the exemption, and specifically those in Lawrence County, are on fixed incomes. As we know, one of the biggest issues facing people on fixed income is the rising costs associated with living. A prime example of that would be the rising costs of property taxes. Currently, the Homestead Exemption in Ohio currently does not adjust for inflation.

The reason I am here in support of House Bill 439 is that it seeks to provide some relief to those who qualify for the Homestead Exemption. House Bill 439, as proposed, would tie the Homestead exemption to the rate of inflation by increasing the Exemption every year by the same rate as used in calculating income eligibility.

Lawrence County just completed a triennial update with the value adjustments being applied to the 2019 tax year payable in 2020. I have pulled two examples of the impact of the current Homestead exemption in light of the rising property values.

A parcel receiving the Homestead exemption in Rome Township was valued in 2018 at \$83,440. The taxes due on that parcel for that year equaled \$587.90. The Homestead exemption reduced taxes that year by \$251.42. With the triennial update, that same parcel was valued in tax year 2019 at \$100,130, an increase of 20%. The taxes due increased to \$749.68, a 27.52% increase. However, the Homestead exemption for that parcel for 2019 was \$249.40, a decrease of .80%. So, while the taxes increased by 27.52%, the Homestead decreased by .80%.

A second parcel, from Petty Township was valued in 2018 at \$156,440. Taxes for that parcel were \$1,432.64. The Homestead exemption amounted to a reduction for that parcel in the amount of \$275.52. With the triennial update, the same parcel was valued in tax year 2019 at \$188,570, an increase in value of 20%. The taxes due for the 2019 tax year equaled \$1,760.40, an increase of 22.88%. However, the amount the taxes reduced by the Homestead Exemption equaled \$269.02, an effective decrease of 2.36%

While these are two examples, there are others throughout my county, and I believe throughout the state that are dealing with similar situations. I support this bill as it seeks to provide some relief to some of the more disadvantaged among us.

Thank you for your time here today.