



**OPPONENT TESTIMONY ON HOUSE BILL 1
HOUSE WAYS AND MEANS COMMITTEE | MARCH 14, 2023**

On behalf of the Ohio Mayors Alliance, a bipartisan coalition of mayors in Ohio's largest cities, we are respectfully submitting this written opposition testimony to HB 1. While we appreciate the intent to appropriate funds to local governments affected by this bill, our communities remain concerned about the direct fiscal impacts on our cities, as well as the adverse impacts to other local government partners.

Cities could be impacted by this proposal in multiple ways. The overall reduction in the state General Revenue Fund (GRF) will reduce the amount allocated through the Local Government Fund (LGF). The Legislative Service Commission estimates that the revenue loss to the GRF is estimated to be \$2,515 million (or \$2.5 billion) in FY24 and \$1,792 million (or \$1.8 billion) in FY25 and the loss to both the LGF and Public Library Fund is estimated to be \$43 million in FY24 and \$31 million in FY25.

The bill also eliminates the GRF reimbursement of the 10 percent rollback starting in TY24, which reduces GRF expenditures by an estimated \$1,309 million (or \$1.3 billion) per year. For cities that derive some local revenue through inside millage, the elimination of the roll back will have a direct fiscal impact. Further, the reduction in the property tax assessment rate on real property from 35 percent to 31.5 percent will also have direct fiscal impacts. LSC estimates that this would result in revenue losses to school districts and local governments estimated at \$538 million in FY25 and in increasing amounts in future years.

Cities must have the necessary resources to invest in public safety, which is already the largest single budgetary expenditure in nearly every city across Ohio. If passed in its current form, HB 1 would jeopardize these investments. Furthermore, cities are driving regional growth and helping to attract some of the largest economic development projects in our state. That is why state and local leaders must work together to ensure that our cities and local communities remain fiscally stable and economically vibrant.

We hope to work together on identifying ways in which state and local leaders can collaborate to make Ohio competitive. We hope to do so in a way that does not undermine the fiscal health and safety of our local communities. We acknowledge that H.B. 1 includes intent language to keep local governments whole. However, until this provision is clearly outlined, we oppose H.B. 1 because of the potential long-term fiscal impacts to our cities and other local government partners. Thank you for your time and consideration of this testimony.