



HOUSE BILL 60
PROPONENT TESTIMONY
House Ways & Means Committee
March 21, 2023

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the committee, I am Franklin County Auditor Michael Stinziano and I thank you for the opportunity to testify today in support of H.B. 60. This bill is incredibly important to our communities as the population of older residents continues to grow and housing burdens increase.

Providing the best possible support to older residents has long been a priority of my public service career including as a representative and city council member. Now as County Auditor, I regularly hear from residents facing cost and tax burdens who desperately want to be able to age in place and retain their homes for themselves and their children. Since taking office four years ago my team and I have been guided by the combined goals of having the most transparent and equitable appraisal process while emphasizing the critical need to not have residents especially older residents taxed out of their homes. We partnered with the Age Friendly Innovation Center of Columbus and Franklin County to specifically examine the role property taxes play for older residents.¹

Approving this bill to increase both the income eligibility threshold and exemption amount for the homestead program is a critical modernization that reflects growing need and the realities of the property tax burden for older adults.

The current income eligibility threshold does not meet the needs of a growing older adult population.

Franklin County follows trends of the state and the nation in seeing older residents, those aged 65 and above make up and increasing portion of our population. “Between 2010 and 2040, the number of older adults 65 and older living in Franklin County is projected to double. The percent of Franklin County residents who are 65 and older is expected to increase from 10% to 15%.”²

This population is also increasingly burdened by housing costs. The Joint Center for Housing Studies in 2017 found that the housing burden for older residents had reached an all time high. This included specifically finding for the Columbus, Ohio Metropolitan Area that 24% of homeowner aged 65 and

¹ Will be cited as “Older Adults and Property Taxes: Findings and Recommendations in Franklin County” throughout. Full report available here: <https://www.franklincountyauditor.com/AUDR-website/media/Documents/Community%20Relations/In%20the%20News/Auditor-age-friendly-report.pdf>

² “Older Adults and Property Taxes: Findings and Recommendations in Franklin County” page 3



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above are housing cost burdened. This is despite a median income in this population of \$50,000 per year.³ Forty-percent of older adults are paying a mortgage into retirement.⁴

These trends emphasize the need for an accessible homestead exemption, but the current eligibility structure means fewer older adults are eligible every year. In the last four years alone the number of people receiving the homestead exemption in Franklin County decreased by about 20% from more than 54,000 in 2019 to only 44,505 today even as our age-eligible population grows.

This is largely because those who do not need to meet the current low-income threshold are leaving the program and very few new households qualify. Of the households that currently qualify in Franklin County, less than 20% of them meet the income threshold-ten years after its implementation.

Increasing the income eligibility threshold as provided in this bill would improve access to this exemption and was a key Age Friendly recommendation.⁵ The \$45,000 income threshold for the state, while continuing future indexing, would be an incredible boon to our older residents.

The locked value of the deduction hurts recipients over time.

In addition to expanding possible recipients, this legislation moves to restore the intended value of the deduction. Since 2007 when the exemption value was locked at \$25,000, due to inflation the value of the real dollar value of the exemption has gone down more than 20%.

Increases in property values, while generally a good thing, further erode the value of the homestead exemption to individual homeowners. This is felt throughout the state and becomes clear when examining the Franklin County experience. In the 2017 Franklin County reappraisal home values increased between 5% and 30%. In 2020, the average value increase was 20%. For a \$150,000 home that increases in value by 20%, the new value is higher than the prior value even after application of the homestead exemption (\$180,000-\$25,000=\$155,000).

The increase in home values combined with the tax rate equalization process means that the dollar value of the exemption often goes down just as property values increase. In 2019, in the Franklin County's largest taxing district the homestead exemption meant a savings of \$531 in annual taxes. Today it is worth \$454.⁶ The \$77 may not seem like much, but for those who have a fixed income and other cost burdens it can make all the difference. If this bill were effective today, instead of receiving a \$454 reduction on their taxes the homeowner would receive a \$726 reduction.

In Franklin County the upcoming reappraisal for which we anticipate residential value increases to average between 30% and 35% will further exacerbate this problem. Both the one time increase and indexing of the deduction amount are the right direction for this program.

³ <https://www.jchs.harvard.edu/cost-burdens-among-older-adults-are-all-time-high> (the report was released in 2019 and reviewed data from 2012 to 2017) Note: the Columbus, Ohio Metropolitan Statistics Area which is used as the unit for many federal housing and other programs and is generally what "Central Ohio" refers to Delaware, Fairfield, Hocking, Licking, Madison, Morrow, Perry, Pickaway, and Union counties.

⁴ "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" page 3

⁵ "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" page 5. Looking at Franklin County specifically the report recommends a \$50,000 income eligibility level.

⁶ These dates refer to the tax year payable for real property in the following year. The value of the homestead exemption is determined by the tax rate in each taxing district and is affected by both levies and equalization. For tax year 2019 the range of values was \$401 to \$805 and in 2022 ranges from \$391 to \$753.

Conclusion

The homestead exemption program is a popular and critical protection for long-standing and older Ohio residents. The improvements proposed in H.B. 60 will correct some of the erosion and limitations we have witnessed in recent years. I urge your passage of this bill as an important step to support our seniors and those with disabilities who contribute so much to us all by choosing to make Ohio their home.