



# Norwalk City School District

Office of the Treasurer

134 Benedict Avenue

Norwalk, Ohio 44857

419.668.2779

House Ways and Means Committee

HB 1 - Opponent Testimony

Norwalk City School District

Joyce Dupont, Treasurer

March 27, 2023

Chair Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide opponent testimony on House Bill (HB) 1.

My name is Joyce Dupont and I serve as the Treasurer for the Norwalk City School District in Huron County. The Norwalk City School District is a city school district encompassing 32 square miles including many rural areas. We educate 2619 PK-12 (up to age 22 for extended learner) students in four elementary buildings, one middle school and one high school building.

Our state share is 58% of the base cost per pupil but due to our district being on the formula and the Fair School Funding Plan only partially implemented we were unfunded by over 2 million dollars in base state funding in FY22 and 1.3 million in FY23. We are asking that public education be fully funded at the state level before any income tax reductions. We are also asking that the income tax structure be progressive.

Norwalk City School District opposes HB 1 because it results in a significant tax increase for residential and agricultural taxpayers, as a loss in local tax revenue for schools and local governments, as well as a regressive tax structure with the implementation of a flat income tax.

At our March 14, 2023 Board of Education meeting, the Norwalk City School District adopted a resolution in opposition to HB 1 after my presentation on the effects to the district and to our taxpayers. The resolution was mailed to all committee members and to our district representatives. I have attached a copy of that resolution to this testimony for your reference.

Our school board meetings are livestreamed and archived on YouTube at

<https://www.youtube.com/@norwalktruckers686/streams>.

If you wish to review my discussion of HB 1 to the Board it is at approximately 45 minutes into the video.

The specific fiscal impact of HB 1 on Norwalk City School District is a direct revenue loss of \$181,622 on our inside millage and a tax increase to our residential and agricultural taxpayers of \$578,794. My district has also just reached the 20 mill floor and we were excited to finally realize the possibility of an increase in tax revenue from any increases in valuation in the future instead of a millage rollback. My understanding is HB 1 would take us off the 20 mill floor.

We understand the desire of legislators to have taxpayers see the “full cost” of levies through the repeal of the 10% rollback but respectfully wish to disagree. We *are* concerned with our taxpayers having both transparency and a complete understating of levies and school funding. Norwalk City undertook a bond refunding when interest rates were low which both lowered the bond millage and eliminated the final years’ payment. Bonds are paid by the taxpayers, there was no direct benefit to the district; the benefit was to our taxpayers.

Chair Roemer and members of the committee, thank you for your time and attention. I would be happy to answer any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Joyce Dupont".

Joyce Dupont  
Treasurer



# Norwalk City School District

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The Board of Education of the Norwalk City School District met in regular session on March 14, 2023 with the following members present:

Mrs. Alison Crawford  
Mr. Duane Moore  
Mr. Jeremy Norris  
Mr. Ralph Ritzenthaler  
Mrs. Lisa Wick

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Mrs. Crawford moved the adoption of the following Resolution:

## **RESOLUTION TO EXPRESS OPPOSITION TO HOUSE BILL 1 OF THE 135TH GENERAL ASSEMBLY**

**WHEREAS**, HB1 intends to implement a flat tax on income and shift property tax burdens,

**WHEREAS**, as it has been determined by the Ohio Legislative Service Commission in its Fiscal Note and Local Impact Statement of the following:

- a reduction in real property tax revenue statewide by \$538 million dollars for tax year 2024 (of which \$298 million is attributable to schools and \$239 million to other local governments) and in tax year 2025, and thereafter, assessment rates would adjust downward further resulting in additional losses in FY26 and subsequent years; and

- net taxes charged to owners of residential and agricultural real property would increase an estimated \$929 million while net taxes charged to owners of class II real property (commercial and industrial) would decrease an estimated \$157 million.

**WHEREAS**, higher income taxpayers would receive the greater benefit from a flat tax, as shown in the table below,

2021 Ohio Taxable Income Tax Bracket	Current Marginal Income Tax Rates	HB 1 Proposed Tax Rate	HB 1 % Reduction vs. Current Rates
\$0 - \$25,000*	0.000%	0.000%	
\$25,001 - \$44,250	2.765%	2.75%	-0.54%
\$44,250 - \$88,450	3.226%	2.75%	-14.8%
\$88,450 - \$110,650	3.688%	2.75%	-25.4%
More than \$110,650	3.990%	2.75%	-31.1%

\* 2.75% flat tax rate proposed in HB 1 actually will begin at an income level of \$26,050 after indexing for inflation.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Education of the Norwalk City School District, does hereby express opposition to House Bill 1.

The Treasurer is authorized to deliver or cause to be delivered a certified copy of this Resolution to community leaders; to members of the Ohio House of Representatives and the Ohio Senate, including Representative Stein and Senator Manning; and to the office of Governor Michael DeWine.

This Resolution shall be in full force and effect immediately upon its adoption.

Mr. Norris seconded the motion.

Upon roll call on the adoption of the foregoing Resolution, the vote was as follows:

Mrs. Alison Crawford	yes
Mr. Duane Moore	yes
Mr. Jeremy Norris	yes
Mr. Ralph Ritzenthaler	yes
Mrs. Lisa Wick	yes