



House Ways and Means Committee HB 1 - Opponent Testimony

Gahanna-Jefferson Public School District, Franklin County, Ohio
J. Scott Gooding II, Treasurer/CFO

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 Scott Gooding and I serve as the Treasurer/CFO for the Gahanna-Jefferson Public School District in Franklin County. The Gahanna-Jefferson Public School District, a suburban community in northeast Franklin County, provides high-quality learning experiences to more than 8,100 students, encouraging creativity and preparing our graduates for careers, college and beyond. By fostering trusted relationships with district families and the Gahanna community, GJPS works daily to ensure student learning is the top investment and priority. The GJPS student population is celebrated as one of the most diverse in central Ohio. The district encourages compassion, empathy and tolerance always, and provides a supportive and inclusive environment where students feel respected and free to be their authentic selves.

Gahanna is a choice location for businesses, residents and visitors offering 750+ acres of parkland, vibrant neighborhoods and more! Adjacent to I-270, Gahanna is approximately eight miles from downtown Columbus and just minutes away from John Glenn Columbus International Airport. The district, which includes the City of Gahanna and parts of Jefferson and Mifflin Townships, is a culturally diverse suburban area with just under 48,000 residents. Gahanna is rich in heritage and offers a friendly environment, unique historic attractions, high quality restaurants and expansive green space.

The Gahanna-Jefferson Public School District opposes HB 1 because it results in a significant tax increase for residential and agricultural taxpayers, as well as a loss in local tax revenue for schools and local governments. According to the Fiscal Note from the Legislative Service Commission (LSC), the following changes will occur from a statewide perspective as a result of HB 1:

- \$929 million annual **tax increase** for residential and agricultural property taxpayers;
- \$157 million annual **tax decrease** for business and commercial property taxpayers; and
- \$538 million annual **decrease in local tax revenues** for schools and local governments.

Further consequences of HB 1 are:

- HB1 applies a single income tax rate of 2.75% (i.e., “flattens the income tax”) under most circumstances;
- Eliminates the 10% property tax rollback reimbursement to local governments, among other changes.
 - On its own, this change results in an automatic 10% increase for property taxpayers and is neutral to taxing entities.
- Revises the 2.5% owner-occupied property tax rollback to be a flat \$125 credit
- Revises the homestead exemption program.
 - Indexes the homestead exemption amounts to inflation, among other changes (see HB 57)
- Reduces the property tax assessment percentage for Class 1 and Class II property from 35% to 31.5% (a 10% decrease);
 - Note: Application of HB 920 is in question
- Applies an annual inflation adjustment to the assessment percentage, which can result in the assessment percentage being lower than 31.5%, but not greater than 31.5%
 - Note: The assessment percentage may be reduced annually and between reappraisal/update cycles without a corresponding adjustment to property valuations; thus, annual adjustments to the assessment percentage on account of inflation may not correspond to changes in real property valuation.

The specific fiscal impact of HB 1 on the Gahanna-Jefferson Public School District is an annual revenue loss in the first year of implementation – approximately \$4 million (shifted from the State to our local property owners) if House Bill 1 passes and the H.B. 920 reduction factors apply and approximately \$7 million if House Bill 1 passes and H.B. 920 reduction factors do not apply. If HB 920 does play into this and districts have their effective millage increased, then districts that have had recent levies supported by our local voters and approved, like Gahanna, could see a larger revenue loss on those specific levies. If H.B. 920 does not apply, our district would have to ask our community to pass a 3.6 mill levy to make up these funds.

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.