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House Ways & Means Committee
Sponsor Testimony – H.B. 344
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Chair Roemer, Vice Chair Lorenz, Ranking Member Troy, and all honorable members of the House Ways and Means Committee, it is Rep. Hall's and my honor to step away from our seats on this committee to present sponsor testimony for House Bill 344, a property tax simplification and transparency bill whose time has come.

Seemingly every election, different property tax levies are placed on the ballot. "New levy" and "increase" are easy to understand, but many voters treat "renewal" and "replacement" as synonyms when they function entirely differently as replacements can increase the asked for amount and the taxpayer's final bill. Voters are also frequently unaware that there is a world of difference between the effective tax rates they are paying on an existing levy and the official "voted" amount they would be paying under a new levy.

Renewals are easy to understand as they extend the previous levy for a certain number of years and providing the same bill to the homeowner and same benefit to the school district. Replacements, however, reset the effective millage due to property values rising and raise the tax bill on homeowners while, to many, appearing to keep the same ask when on the ballot. This incongruity can lead to surprises by voters when they think they had just voted to keep things as they were, especially since districts could run elections stating, "this levy will not increase your tax rate."

This bill would still leave in place renewals as well as renewals with increases, which point out on the ballot what had been paid and what would be the paid in the future with passage.

Further, we want to refine previous General Assembly's HB 126, a great move forward for property tax reform passed last General Assembly. Among other improvements, HB 126 restricted the ability of schools to challenge property tax assessments and banned private payment agreements, where a government entity takes direct payment to drop a challenge to a

property tax assessment. This was a great bill, though unfortunately some government entities have found a loophole that must be closed.

While the current law states that a school district cannot challenge property tax valuations, enterprising school districts have used either their treasurer or an attorney at their law firm to file complaints instead. Once the complaint is filed, the school district would file a counter-complaint, thereby joining as a party anyway, destroying the intent of HB 126.

This straw man strategy has been used in hundreds of cases and creates an environment without clarity for property owners, investors, and auditors.

Our bill would not allow any individual to act as an agent of a governmental entity in line to benefit from an increase in valuation. If someone did, the complaint would be mooted, and the property owner named in the complaint would receive penalties from the relevant governmental entity discovered. Further, the governmental entity would not be able to join in on appeal or counter-complaint.

These two fixes to the property tax system would go a long way to putting tax control where it belongs: with the voters. We want to empower voters to understand the levies for which they vote. Increased transparency allows honest conversations with our voters. By ensuring voters affirmatively decide to raise taxes in simple language, they know what to expect if and when property taxes go up and have full control over if they do so in the first place. By cleaning up the property tax valuation process, we can create stability for those who wish to build and work in Ohio. In doing so, we want to avert harsher political pushback on those entities that rely upon property taxes.

Thank you for your consideration, and we urge a favorable referral of this bill. We would be happy to answer any questions.