



## **House Bill 344 – Eliminate replacement property tax levies**

### **Testimony before the House Ways and Means Committee**

**February 6, 2024**

Chairman Roemer, Ranking Member Troy and members of the House Ways and Means Committee, please accept this written testimony on behalf of the Association of Ohio Health Commissioners (AOHC). AOHC represents the 111 local health departments across Ohio. Thank you for this opportunity to speak in opposition to House Bill 344, which proposes the elimination of replacement levies.

More than fifty (50) of Ohio’s local health districts rely on levies to support the programs that serve their communities. The maximum length of time for these levies is ten (10) years; thus, every levy must be put before the voters at least every ten years, allowing the voters to decide whether or not to continue the special levy to support their local health district. The options of replacement and renewal levies are critical tools to have available for voters to consider at the time an existing levy is due for renewal.

A replacement levy is the only mechanism available for a levy-funded agency to address the inevitable increase in expenses that occurs over time. This option has been critical since the passage of House Bill 920 in 1976, which effectively froze the tax that could be collected on a given piece of property. If the local political subdivision has been granted a ten-year levy by the voters, this is essentially flat funding for that period. If the voters approve a “renewal” for another ten years, then that funding level is essentially flat for the whole twenty year period. A replacement levy allows political subdivisions to seek voter approval to right-size their request without eliminating the already-approved revenue. Without this tool, political subdivisions must undertake much more complicated steps both to raise and lower the amount of revenue their levies would generate.

Voter-approved levies are the most representative taxes collected by government: each voter has the opportunity to directly weigh in on whether a proposed levy is right for their community. When voters approve a levy, they are indicating that they want the services that funding would support.

Replacement levies allow political subdivisions to maintain the previously approved millage rate and capture the current valuation of included property. Without this tool, political subdivisions would have to increase the millage of the levy to offset the valuation freeze put in effect through House Bill 920 in 1976. This could result in misleading millage amounts that are disconnected from current valuations. Thus, House Bill 344 has the potential to create confusing ballot measures that make it difficult for the public to evaluate the actual funding being requested of the taxpayers to run programs they have already indicated that they want in their communities.

Local funding generated through property tax levies is extremely important because it remains a primary source of revenue for local health districts. Levy dollars, in addition to other local sources of revenue, compose approximately 75% of health district revenue. Levies equip health departments with voter-approved funds to conduct our work and reduce the demand on the budgets of townships and municipalities. Replacement levies allow us to make a clear, straightforward request for funding to our taxpayers so that they can consider the current financial implications of their vote in a single ballot measure.

AOHC asks that you do not eliminate this critical option for local operating revenue for local health districts, and respectfully requests that the committee not move HB 344 forward in its current form.

Thank you for your time and attention today. Please do not hesitate to contact us with any questions you may have.

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