



Lobbyists for Citizens

May 18, 2024

Representative Bill Roemer, Co-chair
Senator Louis Blessing, Co-chair
Joint Committee on Property Tax Review and Reform
Ohio Statehouse
1 Capitol Square
Columbus, Ohio 43215-4275

Re: Taxing Seniors Out of Their Homes

Representative Roemer, and Senator Blessing:

Thank you for the opportunity to speak to both of you and your committee members.

Our group, Lobbyists for Citizens, has been following the issue of property taxes since 2015. At that time, we made the statement that if we continue on the path of ever-increasing property taxes, we will price seniors and those living on fixed incomes out of their homes that they have worked all their lives to achieve.

We have been very interested in the Housing Affordability Threshold calculation and have spent many years trying to educate citizens on the calculation [Mortgage + Utilities + Property Taxes cannot be 30% of annual income] to help them make the decision if they can afford to vote for yet another property tax levy. Our research at that time indicated that approximately 1/3 of Ohio seniors have exceeded their HAT %. As bad as that statistic is, we believe it will rise to over 50% because of the current property revaluations.

As you are no doubt aware, the current mandatory sexennial revaluation will result in massive increases in residential property values. In our county, Lake, it is estimated that there will be an average of 30% increase in residential property values. This will result in a double digit increase in property taxes without a vote of the people.

The actual tax increase for the individual taxpayer will vary based on the increased valuation of their home and the school district in which they live. For example, there are three of nine Lake County School Districts that are currently at the 20-mill floor and two that will be there with the 30% increase. The Willoughby-Eastlake school district will realize a windfall of over \$8 million in revenues with a cost to the taxpayer of \$210 per \$100,000 of home market value. The Riverside School District will realize \$3.6 million in windfall property tax revenue with a cost to the taxpayer of \$93 per \$100,000 of market value without a vote of the taxpayers.

We have identified several problems with the property taxes:

1. The increase in valuation is inflationary, and citizens are paying increased taxes on unrealized gains.
2. The school districts are reaping unprecedented increases in property taxes without a vote of the taxpayers due to the limit on HB 920 reduction of the effective rate on outside millage because of the 20-mill floor.
3. We contend that the 20-mill floor is unconstitutional:
 - a. Article XII, section 2 of the Ohio Constitution limits the inside millage to 10 mills.
 - b. ORC Section 5705.02 codified the 10 mills limits but circumvents to Ohio constitution with the statement "except for taxes specifically authorized to be levied in excess thereof".



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4. The State legislators, by creating the 20-mill floor have de facto, in reality. increased the 10 mills of inside millage, thereby violating the Ohio Constitution.
5. In Lake County, we have also lost our checks and balances in our Budget Commission due to our Prosecutor's ruling that once the voters have approved a levy the amounts collected can never be changed. This has resulted in massive accumulation of "rainy day" funds by the Lake County taxing authorities to the detriment of the taxpayers. There needs to be greater clarity for County Budget Commissions to determine how they are to be the financial watchdogs for the Ohio taxpayers.

Property ownership is the foundation of our liberty. It is a way for families to transfer wealth between generations.

ANY TAX THAT CAUSES A CITIZEN TO BECOME HOMELESS IS IMMORAL.

Very Respectfully,

s/Brian Massie

Brian Massie
Executive Director
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