



**Senate Community Revitalization Committee
House Bill 50 Opponent Testimony
Ohio School Boards Association
Buckeye Association of School Administrators
Ohio Association of School Business Officials**

May 7, 2024

Chairman Landis, Vice Chair Chavez, Ranking Member Sykes, and members of the Senate Community Revitalization Committee, thank you for the opportunity to submit written testimony in opposition to House Bill (HB) 50. Collectively, our organizations represent public school board members, superintendents, treasurers/CFOs and other school business officials from around the state.

Our organizations opposition to HB 50 is based on the amendment that was accepted in committee on April 23, 2024 that would (1) modify a property tax exemption for improvements to certain residential development property by requiring that property owners apply for the exemption with the county auditor, rather than the Tax Commissioner; (2) remove provisions that require the board of education to be notified of an application for such an exemption and that allow a board to participate in any hearing on an application; and (3) prohibit the filing of property tax complaints by third parties challenging a residential development property exemption. This amendment that was included in HB 50 is not relative to the House-passed version which would create a mechanism to allow relief-collateral sanction for housing.

School districts are very limited under Ohio law in their ability to raise funds. School districts are restricted to either levying a property tax or income tax, with the vast majority levying a property tax to raise their constitutionally mandated local share. Voted property tax levies are approved by the electorate for a specific purpose. Due to the operation of the tax reduction factors in the Ohio Constitution, the total amount of tax revenue from a voter-approved levy cannot increase due to rising valuation of existing property. This means that new property and renovations to existing property are the main sources of increases in tax revenue for a voter-approved levy. Considering that school districts predominantly rely on property taxes to raise local funds, it is not surprising that the highest millage rates in a community are typically for school levies, which may include both operating and capital purposes.

Current law acknowledges this impact on school districts and requires school district to be notified and allows for the elected boards of education of the impacted school districts to speak on behalf of their communities. Removing a school district's ability to speak on behalf of their communities disrupts necessary dialogue and balance between incentivizing development and the need to provide the necessary resources to educate the children in the impacted communities.

The Joint Committee on Property Tax Review and Reform is currently studying all issues related to property taxes, and we would ask that the Senate Community Revitalization Committee hold off on any amendments that impact property tax exemptions until the joint committee has released its recommendations. This will allow for a comprehensive approach to property taxation that will also take into account the impact one change in law will have on the property tax system.

Thank you for your consideration and we urge the committee to remove these provisions to HB 50 and allow the Joint Committee on Property Tax Review and Reform to complete its work.