



*Working together for Ohio farmers to advance
agriculture and strengthen our communities.*

**Senate Ways and Means Committee
HB 187 Proponent Testimony
Evan Callicoat, Director of State Policy
November 28, 2023**

Chairman Blessing, Vice Chair Roegner, Ranking Member Smith, and other members of the Senate Ways and Means Committee, thank you for the opportunity to submit proponent testimony on HB 187. My name is Evan Callicoat and I serve as the Director of State Policy for the Ohio Farm Bureau Federation (OFBF). First, the Ohio Farm Bureau appreciates the legislature's continued focus on tax reform. Agriculture and the state's overall economy has benefited from the continued and steady progress made over the last decade to lower Ohio's tax burden. The recent changes in the 2024-2025 Operating Budget (HB 33), particularly the income tax cut along with changes to the Commercial Activity Tax (CAT), will help provide not just timely, but real economic benefits for all Ohioans.

When considering the full spectrum of taxes, Ohio Farm Bureau members have crafted a policy that ranks each type of tax from most palatable to least, based on the costliness and impact of each tax-type on farming production. Given this policy, Farm Bureau takes a holistic approach when reviewing tax proposals. This policy allows Farm Bureau to support or oppose tax reform proposals that take on a number of different forms.

That said, property taxes are the least favorable tax a farmer pays due to the nature of how they impact production agriculture directly. Property tax is a tax on agriculture's most important production asset; farmland. And whether or not that farmland produces in any given year and provides income, or if that same farmland is hit by any number of issues and produces no income, that property tax bill still comes due.

HB 187 as it is currently written would allow for a "three year averaging" of property values in order to help mitigate the spike in property values that have occurred over the last couple of years. This averaging would help bring down the increase in taxes that homeowners and CAUV property owners are seeing on their tax bills this year.

While we are still proponents of the current language, we understand that conversations are being had about other alternatives. The timeline for implementation of the current language is not what it was when this bill was originally introduced in the spring. We understand that many auditors and the Department of Taxation are nearly done with their calculation of property values and what property tax rates will be for the 2023 tax year, and that passing HB 187 as it is currently written may be ineffective at this point in



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the year. In light of this unfortunate situation, we understand if this proposal may not be able to move forward in its current form.

However, we urge you to ensure that whatever proposal may be adopted does not shift the tax burden to agricultural property. Due to the HB 920 effect, making changes to residential property without applying the same “benefit” to CAUV property, can have disastrous effects on CAUV property owners. While we understand time is of the essence, great care should be taken that we are not helping one type of property owner while unduly shifting the burden to another.

While we regret that most property owners across the state will not see property tax relief this year, we implore the legislature to begin meetings of the Joint Property Tax Review Committee, so that it and many interested parties can begin to work on meaningful, long-term property tax reform so that this situation won’t have to be revisited in the near future. We are willing and ready to be a part of this process and help all property owners avoid the situation we are currently in. Ohio’s property tax system has become very complicated and difficult for most Ohioans to understand and plan for, and as an industry that can be heavily impacted by large rises in property taxes, we look forward to crafting meaningful reforms with all interested parties during the Joint Committee. I thank you again for the opportunity to provide testimony today.