



OHIO SENATE WAYS AND MEANS COMMITTEE
June 25, 2024

Written Proponent Testimony
Senate Bill 271

Chair Blessing, Vice Chair Roegner, Ranking Member Smith, and members of the Ohio Senate Ways and Means Committee:

Thank you for the opportunity to provide written proponent testimony regarding our support for Senate Bill 271, which would serve as a property tax “circuit breaker” for fixed-income residents, including those who live in municipalities.

The Ohio Municipal League represents more than 730 cities and villages. Just recently, we held a conference with mayors, where they expressed concerns about their residents’ abilities to pay certain taxes – including property taxes – and fees. And as you know, the ability to afford and access housing of one’s choice remains a great concern at the local government level, which we have testified on before and the Ohio Senate is seeking to further alleviate.

OML has been closely following discussions on the “circuit breaker” aspect to protect people on fixed incomes from increased property taxes if the taxes rise above a certain percentage of their income and the home is below a certain value. The state would pay the difference through state-funded credits or rebates. Similarly, if a senior with a fixed income – or families with low- or middle-incomes – have property taxes rise and cannot afford to pay more, the state could pick up the difference, with that price being reimbursed to the state when the home sells.

We welcome creative solutions like these when they have guardrails in place. The current bill includes such guardrails to assist those who need it most. The guardrails include the home valuation cap of \$438,000, rents of up to \$1,370, and household incomes up to \$60,000.

Furthermore, many municipalities – especially smaller ones – are affected by property taxes due to their reliance on that particular funding source, as well as their reliance on the LGF. A third of municipalities do not have a municipal income tax, making revenue generated from the local property tax an even more critical source of revenue generation. This bill keeps local governments whole in this area.

We appreciate Chairman Blessing and Senator Craig for sponsoring this thoughtful legislation and responding to the needs of residents in our municipalities. Therefore, we urge for its passage.

Thank you for the opportunity to share our support for Senate Bill 271 on behalf of the members of the Ohio Municipal League, and please feel free to reach out to us on this matter in the future.

A handwritten signature in black ink, appearing to read "K Scarrett".

Kent Scarrett
Executive Director
Ohio Municipal League