

HB 154 Proponent Testimony
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House Local Government Committee
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Good morning Chair King, Vice Chair Kishman, Ranking Member Sims and members of the House Local Government Committee. My name is Matt Nolan, I am the Warren County Auditor and President of the County Auditors Association. I thank you for the opportunity to provide proponent testimony on House Bill 154 – Requiring School districts to approve certain property tax exemptions.

As this body is well aware, many local governments, including township police and fire departments, libraries, and—most significantly—school districts, rely heavily on property taxes. House Bill 154 addresses a loophole in Ohio law by ensuring school districts are included in decisions regarding residential tax abatements, just as they currently are for major commercial and industrial abatements.

Ohio's Community Reinvestment Act statute requires school district approval for the most significant commercial and industrial tax abatements, but at the same time give the school no role in abatements of housing developments including apartment complexes.

If what I just said sounds counterintuitive, it is. The developments that have no impact on the number of students coming into the school district, Ohio law gives the school a role in. The developments that potentially drive up enrollment and costs, the schools are not given a seat at the table. House Bill 154 corrects that error.

We are learning more and more, that the term abatement is a misnomer. Taxes are not “abated,” taxes are shifted. When developments proceed tax free, the burden created by these developments does not go away but rather shifts to the rest of the tax paying public. This regular burden shifting is a contributing factor to the near nation high property tax percentages that Ohio residents are currently dealing with.

Currently when an abatement is created for industrial or commercial property, a school district has to be consulted if more than 75% of the property tax is being given away. House Bill 154 would simply allow for the same consultation of a district for residential abatements.

In Warren County, residential property tax abatements are becoming more and more widespread. It is not a coincidence that the school districts with the highest tax rates are also the districts where municipalities have been the most willing to exempt residential properties.

It is important that our communities have tools in their toolbox to encourage development, but it has to be a team effort. Local development should be a collaborative effort, not one where cities and villages benefit at the expense of schools and taxpayers who are left to shoulder the hidden costs. This bill does not stop abatements, it simply corrects a loophole that should never have been created.

I want to thank you for allowing me to give testimony on House Bill 154, and I am happy to answer any questions you may have.