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**House Ways & Means Committee**  
**Sponsor Testimony – H.B. 28**  
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Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and all honorable members of the House Ways and Means Committee, thank you for the opportunity to present sponsor testimony on House Bill 28, a bill to bring needed transparency and avoid unvoted property tax increases by eliminating replacement property tax levies.

Seemingly every election, different property tax levies are placed on the ballot. “New levy” and “increase” are easy to understand, but many voters treat “renewal” and “replacement” as synonyms when they function entirely differently - replacements can increase the asked for amount and the taxpayer’s final bill. Voters are also frequently unaware that there is a world of difference between the effective tax rates they are paying on an existing levy and the official “voted” amount they would be paying under a new levy.

Once a property tax levy is approved by voters, property owners then pay taxes according to the levy’s voted millage. As time passes and property values increase, however, the actual millage rate Ohioans are taxed at is adjusted downward to raise the same amount of revenue as when the levy originally passed. When a levy is renewed, this downward adjustment simply continues, leaving a homeowner’s property tax bill largely unchanged. When a levy is replaced, however, this downward adjustment resets, and the levy factors in the increased property values, thereby frequently increasing a homeowner’s overall tax liability.

Renewals are easy to understand as they extend the previous levy for a certain number of years and provide the same bill to the homeowner and same benefit to the school district as exist prior to the election. Replacements, however, while appearing to keep the same ask on the ballot, reset the effective millage due to property values rising and raise the tax bill on homeowners. This incongruity can lead to surprises by voters when they think they had just voted to keep things as they were, especially since districts could run elections stating, “this levy will not increase your tax rate.”

This bill would still leave in place renewals as well as renewals with increases, which point out on the ballot what had been paid and what would be the paid in the future with passage.

Eliminating replacement levies as a transparency measure for voters was included as a recommendation by last General Assembly's Property Tax Review and Reform Committee. Additionally, this measure was already passed by the House last General Assembly when included in the House version of the operating budget, and it also passed this committee last General Assembly as included within House Bill 344.

This simple fix to the property tax system will increase local control of property taxes and put more control with the voters where it belongs. We want to empower voters to understand the levies for which they vote. Increased transparency allows honest conversations with our voters. By ensuring voters affirmatively decide to raise taxes in simple levies, and by reducing instances of unvoted tax increases, they know what to expect if and when property taxes go up and have more complete control over if they do so in the first place.

Thank you for your consideration and for the opportunity to testify, and we are happy to answer any questions.