



## HOUSE WAYS AND MEANS COMMITTEE – PROPONENT TESTIMONY, H.B. 28 – 3.5.25

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and member of the House Ways and Means Committee, thank you for the opportunity to express support for House Bill 28, which eliminates the authority of political subdivisions to levy replacement property tax levies.

My name is Hannah Kubbins and I'm the Legislative Director for Americans for Prosperity – Ohio (AFP – OH). Our vision for state tax policy is that each state moves toward a flatter and simpler tax policy that unleashes growth and removes barriers to opportunity so all Americans can improve their lives. The goal of tax reform is not merely to reduce the amount of money going into state budget coffers, although that is often an outcome. The goal is to streamline states' tax systems and make them more reliant on less-volatile sources of revenue to ensure adequate revenue exists to cover necessary expenditures while minimizing economic disruption.

AFP's ideal version of tax policy and tax reform is a long-term vision, not one that supports temporary tax relief or immediate tax cuts if those reductions are not aligned. As our principles state below, we advocate for low and simple taxes applied broadly and impartially on all individuals and businesses, irrespective of the goods, industries, or populations involved.

At Americans for Prosperity, we advocate for property tax solutions that are simple, transparent, and fair. Our preferred approaches include:

1. Broad-Based, Low-Rate Taxes:
  - a. We support broad-based, low-rate property taxes that minimize economic distortion and ensure that all property owners contribute to the funding of local services.
2. Elimination of Special Interest Carve-Outs:
  - a. We oppose special interest carve-outs, exemptions, and deductions that create a two-tiered tax system. All property owners should be treated equally under the law.
3. Predictable and Permanent Reforms:
  - a. We advocate for tax reforms that provide certainty and predictability for taxpayers. Temporary tax changes should be avoided in favor of long-lasting reforms that promote economic growth and stability.
4. Transparency and Accountability:

- a. Tax policies should be transparent and easy to understand. Taxpayers should clearly understand what they owe and how their tax dollars are being used.

Eliminating replacement levies as an option for political subdivisions simplifies property taxes by reducing confusion at the ballot box. Renewals are simpler to understand because they extend the previous levy for a number of years with the same benefits to the school district and same bill to the homeowner. Replacements appear to keep the same ask on the ballot, but in reality, reset the effective millage to reflect rising property values, which in turn raises the tax bill on homeowners.

Understandably, voters use these terms synonymously, which can lead to a surprise increased tax bill when they think they voted to keep things as they were.

House Bill 28 is a fair and transparent solution. Political subdivisions lose their authority to levy replacement property tax levies, but the bill leaves in place renewals as well as renewals with increases, which point out on the ballot what had been paid and what would be paid in the future. This clearly shows the math to homeowners when they cast their vote at the ballot box, which in turn grows trust between community members and their local governments.

We'd like to thank Representatives Mathews and Hall for championing this simple, commonsense reform. I will answer any questions to the best of my ability.