



**James Hoops**  
State Representative

April 1<sup>st</sup>, 2025

Chairman Roemer, Vice Chair D. Thomas, Ranking Member Troy and members of the Ways and Means committee, thank you for allowing Representative Thomas and myself the opportunity to provide testimony on HB 186.

As all of you are aware the increase in property taxes is the number one issue that residents of Ohio are dealing with. I feel people are willing to pay their fair share to help support services that include schools, fire, police, fixing roads and bridges, MRDD services and other vital necessities which help communities thrive. But these past few years have been very challenging, so extreme that property owners are worried about whether they will be able to keep their property because they can't pay their taxes. All are asking "How did this happen and what are the policy makers going to do about it?" I feel the culprit is the "Perfect Storm" that has occurred over the past 4 years. What do I mean by the "Perfect Storm". If you can remember: Valuation x Millage= Property Taxes

First let's look at **Valuation**. Over the past 4 years a lot was going on... the pandemic, the lack of housing and the increase in materials to build homes all of this resulted in home sales increasing 25% to 40% across the whole state. I am sure if you were the seller, you were very happy but if you were the buyer then not so happy. However, these were the sales the county auditors are required to use when they are calculating the values for all property in a county on a triannual bases or every three years.

Now let's look at the **Millage**. In the past, when values increased, the "920 process" kicked in for the voted millage. This was enacted back in the seventies when inflation was an issue. This reminded people that when you voted millage you were voting dollars. So, when the valuation went up due to a county reappraisal, the "920 process" lowered the voted millage which kept any increase from happening except for inside millage. In the eighties, language was put into law that created the "20 mill floor" for the schools. This basically said once the school millage hits 20 mills it doesn't go down any further. At that time no schools were at the 20 mill floor so everyone went on their merry way and the "920 process" kept working. So, at this time 463 schools have hit the 20 Mill floor and more will be hitting it in the future. And when that happens, and the values have increased like I said earlier by 25% to 40% and since the "920 process" doesn't kick in the "Perfect Storm" has arrived. HB 186 we feel, will solve what I like to call the "Perfect Storm" of property tax hikes that Ohioans have been faced with since the pandemic.