

Lawrence County Auditor

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Proponent Testimony on HB 186

**Presented by Chris Kline, Chief Deputy Auditor, Lawrence County Auditor's Office
Before the Ohio House Ways and Means Committee**

Date: April 9, 2025

Good morning, Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and esteemed members of the Committee,

My name is Chris Kline, and I serve as the Chief Deputy Auditor for the Lawrence County Auditor's Office. I am here today to provide proponent testimony on House Bill 186, both on behalf of Lawrence County and the County Auditors' Association of Ohio.

Over the past several months, my colleagues and I have worked closely with Representatives Hoops and Thomas to find a balanced and effective way to address the large property tax increases we've experienced across the state in recent years. I believe House Bill 186 represents a meaningful step forward in providing real and relevant tax relief to Ohioans.

As many of you know, the 20 Mill Floor is a complex topic, but its impact is far-reaching—it affects more than 75% of Ohio's school districts. To provide some background: House Bill 920 was enacted in the 1970s to prevent property taxes from increasing automatically alongside rising property values. It accomplished this through reduction factors applied to voted levies. However, the "20 Mill Floor" serves as a key exception to HB 920. Once the effective tax rate for school operating levies is reduced to 20 mills, no further reductions are allowed, regardless of how much property values continue to rise. At that point, any increase in value results in a direct increase in taxes.

Historically, this was manageable, as property values grew gradually, roughly keeping pace with inflation. The original intent of the 20 Mill Floor was to allow schools to grow revenue with inflation—not beyond it. But over the past 5 to 6 years, property values have increased at a rate that far exceeds inflation. And in 20 Mill Floor school districts, this has been translated into unprecedented and unsustainable property tax increases.

To be clear—we do not have a valuation problem. The property values reflect real market conditions, and the prices buyers are willing to pay. The problem is on the taxation side. HB 186 addresses this issue by tying the allowable revenue growth in 20 Mill Floor districts to the cumulative rate of inflation between mandated valuation updates. This adjustment maintains constitutionality, ensures uniformity in tax treatment, and, most importantly, breaks the automatic link between soaring property values and equally soaring property tax bills.

HB 186 is a fair and thoughtful compromise between the needs of schools and the taxpayers who support them. It allows for real, inflation-based revenue growth without the steep, sudden increases caused by an overheated real estate market. Given that over 75% of school districts are already affected, and more are headed in that direction, this is not just a regional or isolated concern, it's a growing statewide issue.

While HB 186 is not the sole solution needed to reform Ohio's property tax system, it is a critical piece of the puzzle. I respectfully urge this committee to advance the bill and help provide relief and predictability for taxpayers across our state.

Thank you for your time and consideration. I would be happy to answer any questions you may have.