



Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and Members of the House Ways and Means Committee:

My name is Kyle Francis and I serve as the Village Administrator of the Village of Versailles in Darke County. I am submitting this testimony on behalf of our community to express our strong opposition to House Bill 335, the so-called "Property Tax Relief Now Act."

While we appreciate the legislature's desire to respond to property tax concerns across Ohio, we believe HB 335 represents a significant overreach into local governance and would cause irreparable harm to municipalities across the state.

One of our greatest concerns is the proposed elimination of unvoted inside millage for local governments, including municipalities. This millage has long served as a stable, voter-independent revenue source for cities and villages, supporting essential services such as:

- Police and fire protection,
- Street maintenance and snow removal,
- Parks and recreation, and
- Mandatory contributions to OP&F

For the Village of Versailles, the loss of inside millage would result in a reduction of approximately \$161,360 in annual funding. This may not seem like a lot, but to a Village of approximately 2,700 residents, that is a substantial amount of money that comes into our general fund each year and is utilized for essential services. This house bill jeopardizes our ability to maintain current service levels without immediately turning to voters for new taxes or making difficult service cuts. For many communities, it would shift the burden from a balanced local funding model to one dependent on income or sales taxes—which are not always feasible or equitable alternatives. The Village of Versailles currently has a 1.5% income tax in place with a half-percent going only to major capital infrastructure projects such as street reconstructions, paving, water main replacements, sanitary sewer main replacements, and storm sewer installations. The remaining 1% is utilized for police coverage, parks, facilities, and any other costs to operate outside of our enterprise utility funds for water, sanitary sewer, refuse, and electric. Increasing the income tax rate for Fire and EMS coverage due to property tax revenue going away would most likely not be viewed positively by the voter nor our businesses that employ numerous folks from throughout West Central Ohio.

HB 335 would also grant county budget commissions new authority to review and limit local property tax rates and expenditures, even allowing them to reduce levies based on carryover balances. These unelected boards—largely unknown to the general public—should not be given sweeping new powers over municipal finances that traditionally reside with locally elected councils accountable to their residents.

This proposal would strip local governments of essential fiscal autonomy and allow distant administrative bodies to override local budget decisions—even decisions made by voters through approved levies.

Municipalities have long been responsible stewards of public funds. We plan our budgets conservatively, prioritize public safety and infrastructure, and seek voter approval when needed. HB 335 disregards this record of responsibility and implies that local governments are to blame for statewide tax burdens. In reality, this bill removes tools we rely on to meet growing service demands and will destabilize community services, especially in municipalities with limited tax bases or voter capacity for frequent levies.

If the General Assembly wishes to pursue comprehensive property tax reform, we urge lawmakers to do so in collaboration with local governments, not by preempting their authority. Real reform must:

- Respect local decision-making,
- Preserve voter-approved and historically grounded revenue streams, and
- Offer replacement revenues where existing ones are removed.

On behalf of the Village of Versailles, I respectfully urge this committee to reject HB 335. Property tax relief should not come at the expense of local services and governance. Instead, let's work together to find balanced, sustainable solutions that benefit taxpayers without compromising the capacity of local governments to serve their communities.

Thank you for the opportunity to provide testimony. I would be happy to answer any questions or provide further information upon request.

Sincerely,

Kyle R. Francis
Village Administrator
Village of Versailles