

Cuyahoga County Mayors & City Managers Association



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June 17, 2025

Testimony on HB 335

Submitted to the Ohio House Ways and Means Committee

By the Cuyahoga County Mayors and City Managers Association and the Northeast Ohio Mayors and City Managers Association

Chairman Roemer, Ranking Member Troy, and Members of the Committee:

On behalf of the Cuyahoga County Mayors and City Managers Association and the Northeast Ohio Mayors and City Managers Association, we appreciate the opportunity to offer testimony on House Bill 335. Our associations represent 125 municipalities throughout nine Northeast Ohio counties. While we recognize the interest in examining Ohio's property tax system, we must respectfully express our deep concerns regarding the serious consequences HB 335 would have on local governments, schools, and the residents we serve.

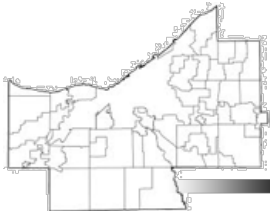
Two provisions are especially troubling. First, the bill would grant County Budget Commissions broad authority to reduce taxes previously approved by local voters—undermining not only the principle of home rule but the foundational premise of local democratic governance.

Second, and most significantly, HB 335 proposes the elimination of inside millage—non-voted property tax revenues that form a critical base of funding for local government operations across Ohio. In Cuyahoga County alone, the loss of inside millage would result in an estimated \$147 million in lost municipal revenue. Statewide, that number exceeds \$4 billion in combined annual losses to local governments and public schools.

These numbers are not abstractions. They reflect the lifeblood of core municipal services—public safety, infrastructure, recreation, and debt repayment. Many communities rely on these revenues specifically to meet their obligations to police and fire pension systems, which are essential for recruitment, retention, and honoring commitments to public safety personnel. The following examples from our member communities illustrate how these funds are deployed:

- Parma would lose over \$7.7 million, including nearly \$1.4 million in support for police and fire pensions.
- Elyria relies on \$6.5 million in inside millage to fund police and fire pensions, bond payments, and a new municipal facility.
- Broadview Heights would face significant cuts to general fund services; the loss would be equivalent to the salaries of approximately 17 police officers or 25 service employees.
- Tallmadge utilizes inside millage to fund one-third of its fire department budget.
- Bay Village applies these revenues toward bond retirement and capital improvements.
- Stow depends on over \$12.5 million in inside millage to maintain general operations, pensions, and emergency medical services.

Representing 3.3 million people in 125 communities.



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- Rocky River allocates over \$4 million toward police and fire services and associated pension obligations.
- University Heights reported that losing inside millage would likely require layoffs or major service reductions.

In each case, these funds are not discretionary—they are integrated into the structure of long-term obligations, many tied to debt repayment or public safety payrolls and pensions. Eliminating them would leave communities with no reasonable alternative but to raise income taxes or drastically cut essential services.

We urge the General Assembly to proceed with great caution. The scope and impact of HB 335 warrant detailed fiscal analysis, robust engagement with local stakeholders, and a transparent, deliberative process. We are eager to participate in that process, but as currently drafted, HB 335 poses an immediate and substantial threat to the fiscal stability of communities across Ohio.

We appreciate your consideration and your continued commitment to strong, stable local government across our state.