

House Ways & Means Committee
House Bill 335
June 18, 2025

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to submit testimony today on House Bill (HB335).

While the title “Property Tax Relief Now Act” suggests help for Ohioans, this bill in reality threatens the foundation of our public education system and essential local services.

At its core, HB 335 eliminates a dependable funding stream—inside millage—that has existed since 1933. It is one of the few remaining ways that schools and local governments receive inflation-sensitive revenue. HB 920 already eliminates growth in voted millage when property values rise. Inside millage is the only portion of our property tax structure that adjusts modestly with property value increases—and it exists to help us keep up with the ever-rising costs of operating service-based institutions like schools. As state funding support for schools continues to go down from levels deemed unconstitutional during the DeRolph decision, and base costs are still being kept at 2022 levels, there has to be a stable mechanism where schools and local governments get some inflationary growth to keep up with the rising costs of mandated services.

We understand that some Ohioans—especially those on fixed incomes—face real financial strain. That’s why we support the creation of a circuit breaker provision to provide targeted property tax relief to those who need it most, such as retirees struggling to stay in their homes. We also support expanding the homestead exemption to further protect vulnerable residents. But what we cannot support is a blanket rollback of revenue that indiscriminately undermines the ability of schools and local governments to provide essential services.

This bill doesn't offer real relief—it simply shifts the cost of education and public services back onto local taxpayers, while allowing the state to step away from its constitutional obligations. You're telling our communities that they can “vote to replace” what this bill takes away. But whether the tax is a property tax or an income tax, it is still the same local constituents footing the bill. What you’re really doing is taking credit for “cutting taxes,” while expecting voters to pay it back

voluntarily. And all the while, the state reduces its contribution and exposure through the elimination of rollback credits.

But even if voters say no to new levies, the students will still come through our doors tomorrow. And we will still be legally and morally required to educate them.

It's worth noting that the appreciation of property values is not some arbitrary windfall—it's the result of strong schools, low crime, and healthy infrastructure. The reason people move to our communities—and why their homes gain value—is because of the public investment in those very services. Your home is your single largest investment, and it gains value because of what we have all built together. Denying reinvestment into that system by eliminating inside millage, and make other sweeping property tax changes is shortsighted and self-defeating.

In Springboro, for example, we are the 13th lowest spending district per pupil in Ohio and have the 9th highest class sizes. We are extremely efficient and fiscally responsible with the tax dollars we are provided. If this bill passes, we face a \$10 million revenue loss. There's no way to absorb that loss without significant harm to students. We would have to remove recently added programs and services to address student's needs, while seeking out a new levy to replace the cuts, such as;

- Reduced Gifted Services
- Reduce Intervention Services
- Reduce SRO services
- Reduce Resources Officers and mental health supports
- Eliminate Instructional Coach
- Increase PTP Fees
- Increase class sizes due to reducing 41 positions starting in FY27

Finally, any future effort to replace this lost revenue will cost taxpayers 12.5% more, since the state eliminated the rollback credits it picks up on new levies in 2013. That means the same residents will now be asked to shoulder a larger share, while the state pays less. HB 335 does not provide relief—it deflects responsibility.

Here is a comparison that I hope brings the reality of this bill into clearer focus—especially for those of you who support HB 335 on the principle that all taxes should be voted on.

State income taxes are not voted on by the people. The General Assembly has the authority to raise or lower income tax rates, restructure brackets, change

exemptions, and enact tax policy without a single vote from the public. And as incomes rise, so does the revenue the state collects. This is widely accepted as a normal function of government finance—because it is. It allows for a responsive, flexible tax system that supports core state services.

Now imagine this: What if it were decided for you, as legislators, that effective January 1st, you would no longer be allowed to collect income taxes in Ohio? One of your most important, reliable, and inflation-sensitive revenue streams—gone. You would still be responsible for every obligation in your current operating budget: Medicaid, schools, infrastructure, public safety, corrections. Nothing else changes, except now, you'd have to wait until the next general election to ask voters to approve a new tax to replace the one they just got back. And you'd have to convince them to willingly give up that money again—this time, by popular vote. What if they say no? What do you cut? Whose salaries go unpaid? What programs do you cancel? How do you meet the obligations you already entered into?

That is exactly the position you are putting local governments and schools in if you eliminate inside millage, and make other sweeping property tax changes that have been in place for up to 92 years. You're not giving communities more control. You're stripping away the only automatic, stable, and predictable revenue stream that helps us keep up with rising costs—without increasing tax rates. Unlike the state, we don't have multiple diverse revenue streams to lean on. We don't have the ability to adjust rates unilaterally. Our only option is to go to the ballot—at a cost, with uncertainty, and in an environment where tax fatigue and misinformation run rampant.

This isn't real reform. It's an artificial constraint that applies only to local communities, not to the state itself. And it fundamentally undercuts the promise of stable, locally controlled public services—especially education.

Using our May forecast, removing inside millage would cause a reduction in property taxes paid by public utility companies and pipelines and reduce the state share of local property taxes “rollbacks” by over 3.7 million over the next few years and would shift this to be picked up by our local taxpayers. This is a tax savings to the State of Ohio and Utility companies, while creating an increase for homeowners/community members.

We ask you to reject HB 335, not because we oppose reform, but because this is the wrong solution. It undermines public education, erodes community services, and leaves local leaders with the impossible task of doing more with less—again. If

you are truly committed to helping taxpayers, then please support targeted relief like circuit breakers and expanded homestead credits, while upholding your constitutional responsibility to fund a thorough and efficient public school system.

Thank you for your time and your consideration

Terrah Stacy - Treasurer/CFO

Carrie Hester - Superintendent

Springboro Community City School District

Springboro Community City SD

May FY25 Forecast as Filed with HB335

Current Forecast Annual Difference (Over/Under) Compared to Base Forecast

State Line Item No	State Line Item No and Description	Amount				
		2025	2026	2027	2028	2029
Total		\$-41,503	\$-740,268	\$-747,545	\$-3,050,687	\$-5,086,345
Property Taxes		\$-2	\$-740,268	\$-747,545	\$-3,050,687	\$-5,086,345
	1.010 General Property Tax (Real Estate)	\$-1	\$0	\$-19,693	\$-2,022,147	\$-3,792,852
	1.020 Tangible Personal Property Tax	\$-1	\$-740,268	\$-724,871	\$-727,197	\$-724,640
	1.050 State Share of Local Property Taxes	\$-1	\$-0	\$-2,981	\$-301,343	\$-568,853
	11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	\$0	\$0
Income Taxes		\$0	\$0	\$0	\$0	\$0
	1.030 Income Tax	\$0	\$0	\$0	\$0	\$0
	11.010 Income Tax - Renewal	\$0	\$0	\$0	\$0	\$0
State Aid		\$-41,501	\$-0	\$0	\$-0	\$0
	1.035 Unrestricted State Grants-in-Aid	\$-31,716	\$-0	\$0	\$-0	\$0
	1.040 Restricted State Grants-in-Aid	\$-9,785	\$0	\$-0	\$0	\$0
All Other Revenue		\$0	\$0	\$0	\$0	\$0
	1.045 Restricted Federal Grants-in-Aid - SF5F	\$0	\$0	\$0	\$0	\$0
	1.060 All Other Revenues	\$0	\$0	\$0	\$0	\$0
	2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	\$0	\$0
	2.050 Advances-In	\$0	\$0	\$0	\$0	\$0
	2.060 All Other Financing Sources	\$0	\$0	\$0	\$0	\$0
New Levies		\$0	\$0	\$0	\$0	\$0
	13.010 Income Tax - New	\$0	\$0	\$0	\$0	\$0
	13.020 Property Tax - New	\$0	\$0	\$0	\$0	\$0

Measure	2024	2025	2026	2027	2028	2029
Cumulative	\$0	\$-41,503	\$-781,771	\$-1,529,316	\$-4,580,003	\$-9,666,348