



# CITY OF LIMA

*Sharetta Smith, Mayor*

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## WRITTEN TESTIMONY ON HOUSE BILL 335

Mayor Sharetta Smith, City of Lima, Ohio  
Ohio House Ways and Means Committee  
6/16/2025

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

My name is Sharetta Smith, and I serve as Mayor of the City of Lima in Allen County. I appreciate the opportunity to provide written testimony on House Bill 335 and to express my deep concerns regarding the bill's potential impact on cities like Lima and communities across the state.

While I understand and respect the legislature's intent to address rising property taxes, I believe that HB 335—particularly the elimination of unvoted inside millage—would do real and lasting harm to the fiscal health of Ohio municipalities.

### **Inside Millage: A Stable Foundation at Risk**

For decades, Lima has used its share of unvoted inside millage as a reliable, voter-independent revenue stream to support the services our residents rely on every day, including:

- Police and fire protection,
- Street maintenance and snow removal,
- Parks and neighborhood infrastructure, and
- Mandatory pension contributions for public safety personnel

In Lima's case, this change would eliminate approximately \$1.2 million annually, representing roughly 8% of our general fund. That's a cut we would feel immediately. It would force us to reduce core services or place new, uncertain levies before voters—many of whom are already struggling with inflation, housing costs, and economic instability.

### **Threat to Local Control**

House Bill 335 also grants unelected county budget commissions expanded authority to review and reduce locally approved levies and expenditures. These decisions have historically been made by elected local officials, who are directly accountable to our constituents, not distant administrative boards.

This proposal effectively shifts budget control from communities to bureaucratic gatekeepers. It erodes voter-approved mandates and compromises our ability to plan

responsibly for long-term public investment.

**A Constructive Alternative: Targeted, State-Funded Relief**

Rather than eliminating a critical local revenue stream, I respectfully urge this committee to consider a targeted and equitable alternative: temporarily doubling the state-funded homestead exemption for the upcoming tax year. This proposal would:

- Provide immediate relief to seniors, disabled homeowners, veterans, and surviving spouses;
- Be funded using a portion of the \$1.1 billion currently proposed for flat income tax cuts in the Senate budget;
- Leverage existing administrative infrastructure for swift implementation; and
- Preserve municipal fiscal stability while state leaders work with us on broader tax reform

Additionally, the House budget provides two provisions that can be readily leveraged to support my proposal—*without drawing on school district carryover funds*:

- An increase in the Local Government Fund (LGF) allocation—from 1.70% to 1.75% of GRF tax revenues—yielding over \$500 million annually, which could be partially redirected to fund a temporary doubling of the homestead exemption; and
- A \$10.5 million annual subsidy to offset MARCS subscriber fees, which could cover the implementation costs of the expanded exemption program statewide.

I have conferred with City Auditor Randy Bartels, Finance Director Meri Foster, and members of Lima City Council, who support this approach. Council also intends to formally oppose HB 335 as currently drafted and will introduce a resolution to that effect.

**A Call for Collaboration**

Lima and cities across Ohio are not asking to be shielded from accountability—we're asking for partnership. Real tax reform must:

- Respect local governance and voter decisions;
- Preserve essential, historically grounded revenue streams; and
- Offer replacement revenues when existing ones are removed

Property tax relief should not come at the expense of police response times, road repairs, or neighborhood safety. It is entirely possible to pursue taxpayer relief while maintaining the capacity of local governments to serve their residents—but only if we work together.

Thank you for your time and for your consideration of this testimony. I would be happy to answer any questions or provide additional information as needed.

Sincerely,  
Mayor Sharetta Smith  
City of Lima, Ohio