Americans for Prosperity – Ohio Proponent Testimony, House Bill 186, House Ways & Means Committee, 10.15.25

Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide proponent testimony on House Bill 186. My name is Hannah Kubbins and I'm the Legislative Director for Americans for Prosperity – Ohio (AFP – OH).

AFP's ideal version of tax policy and tax reform is a long-term vision. As our principles state below, we advocate for low and simple taxes applied broadly and impartially on all individuals and businesses, irrespective of the goods, industries, or populations involved. At Americans for Prosperity, we advocate for property tax solutions that are simple, transparent, and fair. Below I've listed our preferred approaches and how HB 186 fulfills those preferences:

1. Broad-Based, Low-Rate Taxes:

We support broad-based, low-rate property taxes that minimize economic distortion and ensure that all property owners contribute to the funding of local services.

HB 186 limits increases in school district property taxes to the rate of inflation, which helps prevent sudden spikes and keeps rates lower and predictable for property owners. The bill applies reductions to both residential/agricultural and business properties, ensuring a broad base of taxpayers.

HB 186 generally supports broad-based, low-rate taxes by capping increases and applying reductions widely.

2. Elimination of Special Interest Carve-Outs:

We oppose special interest carve-outs, exemptions, and deductions that create a two-tiered tax system. All property owners should be treated equally under the law.

HB 186 does not add new carve-outs but preserves some existing ones, which means it partially aligns with this principle but does not fully eliminate all exemptions.

3. Predictable and Permanent Reforms:

We advocate for tax reforms that provide certainty and predictability for taxpayers. Temporary tax changes should be avoided in favor of long-lasting reforms that promote economic growth and stability.

The bill's inflation-based cap on property tax increases is a permanent change, not a temporary measure. It applies to future tax years (2025 for real property, 2026 for manufactured homes) and is designed to provide ongoing predictability. The formula for reductions and adjustments is clearly defined and tied to an objective measure (inflation), which enhances predictability for taxpayers.

HB 186 strongly supports permanent and predictable reforms by establishing ongoing, formula-based limits and reductions

4. Transparency and accountability

Tax policies should be transparent and easy to understand. Taxpayers should clearly understand what they owe and how their tax dollars are being used

The bill requires county auditors and treasurers to publish effective tax rates and payment deadlines in newspapers, on official websites, or with tax bills.

The bill defines how reductions are calculated and applied, and mandates annual adjustments based on inflation.

The bill includes provisions for reporting and certifying tax reductions and exemptions, which improves oversight.

HB 186 is another step forward to addressing the ongoing property tax crisis in Ohio. AFP – OH believes the bill protects property owners as well as school districts. Property tax increases for schools will be capped at the rate of inflation, and if taxes rise faster than inflation, qualifying properties will receive automatic reductions. The added transparency measures at the county level also benefit both the taxpayer and school districts by providing clear information about tax rates and deadlines. For school districts, state funding will be adjusted to ensure schools do not lose revenue due to the new property tax limits. We want to thank the sponsors for thoughtfully crafting this legislation that balances the needs of taxpayers and school districts. I'm happy to answer questions to the best of my ability.