



Senate Ways and Means Committee
Senate Bill 66 Testimony
Buckeye Association of School Administrators (BASA)
Ohio School Boards Association (OSBA)
March 4, 2025

Chair Blessing, Vice Chair Roegner, Ranking Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to testify on Senate Bill (SB) 66. My name is Paul Imhoff and I serve as Director of Governmental Relations with the Buckeye Association of School Administrators, which represents Ohio's public school superintendents. Joining me in answering your questions is Nicole Piscitani with the Ohio School Boards Association. On behalf of our members, we are in support of legislation to provide property tax relief but are opposed to SB 66 in its current form.

We would like to thank Senator O'Brien and Senator Lang for their efforts to provide property tax relief to Ohioans. This issue continues to be a top priority for both the citizens of this state and the General Assembly, and we are committed to helping identify and produce solutions to this complex and challenging issue.

Since 1976, provisions have been in place to help protect property owners from increases in property taxes when the value of their property increases due to reappraisal or update by their county auditor. This protection, known as House Bill 920, works to reduce a school levy's millage rate so that the levy generates no additional revenue than what it produced when it was first approved by voters. However, since Ohio law does not allow a school district's combined real property millage to fall below 20 effective mills, which is the source of the 20-mill floor term, the reduction factor no longer applies. In this case, a 10% increase in a property's value will generally result in an equivalent 10% increase in property taxes.

The reduction factor and rising property values are also responsible for pushing more and more school districts down to the 20-mill floor. As property values rise, millage rates are reduced, and districts approach and land at the floor. In tax year 2018, the number of districts who found themselves at the Class I floor was 168. In tax year 2023, spiking property values grew that list to 409. Meanwhile, between tax year 2022 and 2023, 89% of the new floor districts went through reappraisal or update in 2023, which indicates that the driving force in 20-mill floor districts clearly is rising property values.

In response, SB 66 would include emergency levies, substitute levies, inside millage, and school district income taxes into the calculation of the 20-mill floor, which would increase the effective millage rate of districts with those levies, bringing them well above the floor and disqualifying them from the percent-per-dollar revenue increase. However, the bill would provide no relief to property owners in the 203 districts at the floor that do not have a substitute or emergency levy. Therefore, they would continue to experience unrestricted revenue increases from reappraisals or updates. SB 66 would also force the affected school districts to either cut essential services or place more levies on the ballot in response, or both. Those new levies might also come at a higher cost to property owners because new levies no longer qualify for the state-paid property tax discounts.

An alternative approach to SB 66 – which we are currently reviewing – could include providing relief to all property owners in 20-mill floor districts. To do so, the law could be changed to limit the increase in revenue for 20-mill floor districts as a result of valuation changes from reappraisals or updates. This revenue limitation, which could be set to the rate of inflation, would mitigate large spikes in values that would result in an equivalent spike in property taxes. It would also allow school districts to receive a limited funding increase and provide a predictable pathway for budgetary planning.

Other approaches could include enacting a property tax circuit breake program, expanding the homestead exemption to more Ohioans, and increasing the homestead exemption's value limit.

Taken together, these alternative measures represent a balanced approach that protects all property owners in 20-mill floor districts, provides targeted tax relief to Ohioans, and ensures predictability and modest funding increases for our schools.

Chair Blessing and members of the committee, thank you for your time and attention. I am happy to answer any questions you may have.