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**Ohio Senate Ways and Means Committee
Proponent Testimony – Senate Bill 66
Nick Ciolli, Research Analyst
(Written Only)**

Chairman Blessing, Vice Chair Roegner, Ranking Member DeMora, and members of the Senate Ways and Means Committee, my name is Nick Ciolli, the County Commissioners Association of Ohio's Research Analyst. Thank you for the opportunity to provide written proponent testimony for Senate Bill 66.

SB 66 includes emergency property tax levies, substitute property tax levies, all inside millage, and any income taxes a school district levies in the calculation for the district's 20-mill floor. Currently, only inside millage designated for operating expenses and current expenses property tax levies are counted for a district's 20-mill floor. Since districts on the 20-mill floor enjoy partial exemption from property tax reduction factors, this floor must be carefully considered.

As property tax valuation increases began affecting the state during the last General Assembly, the CCAO Tax and Finance Committee developed recommendations for reform of the property tax system. One of these recommendations is the abolishment of the 20-mill floor since it undermines the intent of the HB 920 reduction factor framework and causes confusion for taxpayers when their tax bills come back higher than they expected due to the partial exemption from reduction factors.

In testimony to the House Ways and Means Committee two years ago focused on HB 920's reduction factors, the [Legislative Service Commission explained](#) that the 20-mill floor "is intended to guarantee that school districts have at least 20 mills worth of property taxes to pay operating expenses."ⁱ

In the Legislative Service Commission's [School District Local Operating Revenue](#) Members Brief, LSC explains that the 20-mill floor "does not include school district income tax levies or emergency levies, although these levies are generally used for operating expenses."ⁱⁱ

As the testimony and reference material prepared by LSC shows, under current law, school districts can utilize multiple flows for operating revenue but only have a portion counted for their 20-mill floor. This causes taxpayers to see larger tax increases than they would if the 20-mill floor had a more holistic calculation of the resources available to school districts.



While SB 66 does not abolish the floor, revising its calculation to include all the resources a district utilizes is a step in the right direction.

CCAO would like to thank Senator O'Brien and Senator Lang for bringing this piece of property tax reform legislation forward and request that the Senate Ways and Means Committee consider it favorably.

ⁱ [LSC Testimony](#), Page 4

ⁱⁱ [LSC Members Brief](#), Page 5