



SENATE BILL 66 – (SCHOOL MILLAGE FLOOR CALCULATION)

WRITTEN TESTIMONY- OHIO SENATE WAYS & MEANS COMMITTEE

FEBRUARY 4, 2025

Chairman Blessing, Vice Chair Roegner, Ranking Member Demora, and members of the Ohio Senate Ways & Means Committee, I am writing on behalf of the nearly 21,000 members of the National Federation of Independent Business (NFIB) in Ohio to lend our support for Senate Bill 66, legislation that will require additional revenue generating resources to be applied to a school district's 20-mill floor calculation.

By way of background, a typical NFIB member employs 20 or fewer. Our members come from all industries in each of Ohio's 88 counties.

As you are aware, school districts are guaranteed an effective tax rate for operating expenses of 20 mills, and over two-thirds of Ohio's districts are at the 20-mill floor. The House Bill 920 tax reduction factor was implemented to protect against property taxes increasing at the same rate as values. However, the tax reduction factor does not take effect when a district is at the floor essentially allowing for unrestrained property tax increases. Further exacerbating the problem is the exclusion of certain revenue generators from the floor calculation. Districts at the floor, that utilize these generators are recognizing additional revenue without a corresponding rise in their millage, keeping them at the floor, and avoiding property tax relief for property owners. Senate Bill 66 will help address this situation.

Senate Bill 66 adds emergency and substitute levies, inside millage levied for purposes other than current expenses, and school district income taxes to the revenue generating resources used to calculate a school district's 20-mill floor. The addition of these revenue streams to the floor calculation would likely move some of these districts off the floor and provide property owners with some relief as the House Bil 920 tax reduction factor would kick in.

The most common concern we are hearing from our members is the wild property tax increases they have experienced. The inclusion of additional revenue generators in the 20-

mill floor calculation will allow the tax reduction factor to apply in more school districts, providing some property tax relief down the road.

We thank Senators O'Brien and Lang for introducing this bill. We recommend passage of Senate Bill 66.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris J. Ferruso". The signature is fluid and cursive, with a large initial "C" and "F".

Christopher J. Ferruso
State Director