



Bringing competitiveness back to  
Ohio - protecting citizens and jobs.

**Senate Ways & Means Committee  
Proponent Testimony  
Senate Bill 66  
March 4, 2025  
Thomas M. Zaino & Brian M. Perera  
on behalf of the Ohio Taxpayer Protection Act Coalition**

Chair Blessing, Vice Chair Roegner, Ranking Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide testimony in support of S.B. 66 on behalf of the *Ohio Taxpayer Protection Act Coalition*. My name is Tom Zaino and I have with me my colleague Brian Perera.

Ohio's local tax system is failing the very people it's meant to serve. Skyrocketing property values have led to crushing unvoted tax hikes that are forcing seniors and middle-class families out of their homes, while businesses are drowning in the most complicated municipal income tax system in the country. Instead of fostering growth and stability, Ohio's outdated local tax structure is making it harder for people to stay in their communities and for businesses to invest, expand, and create jobs. I have heard from business leaders who were initially attracted to Ohio because of the favorable state tax climate created over the last several years, but now, in hindsight, express concern, or even remorse, after being hit with the morass of Ohio's local taxes, including the complex municipal income taxes and high property taxes.

The Ohio Taxpayer Protection Act offers bold, commonsense solutions to restore fairness, simplify compliance, and ensure Ohio remains competitive with other states. Initiated by the Ohio Chamber of Commerce, the Ohio REALTORS®, and The Ohio Society of CPAs, the Ohio Taxpayer Protection Act Coalition was formed to address these issues from the grass roots up. Now is the time to fix this broken system and create a local tax structure that works for everyone. S.B. 66 is one way to help address these issues.

**Ohio's Local Tax System Is Holding Ohio Back**

Ohio homeowners are paying a steep price for the rapid increase in property values in recent years. These are not "once in a century" valuation increases, but reflect a steady

upward trend that shows no sign of abating. Rising property values for tax purposes have led to major increases in tax bills, so large that some older homeowners and those on fixed incomes have been forced to sell their homes because they cannot keep up with the payments they are forced to make to the government. Even worse, these increases have often come without voter approval.

Adding further barriers to Ohio's competitiveness is the municipal income tax system. The Ohio Taxpayer Protection Act consists of a wide variety of legislation to improve the property and municipal income tax systems. We look forward to other legislative proposals that will further address municipal income tax issues in addition to this and other property tax issues.

### **Ohio's Property Tax System Is Broken**

In 1976, the Ohio General Assembly enacted House Bill ("H.B.") 920 to prevent rising property values from automatically increasing property taxes. The idea was simple: If a school district or township wanted more money, it had to explain the need to voters and request approval for a tax increase. But the law is no longer working. School districts have found ways to pass levies that bypass the limitations of H.B. 920.

For example, emergency levies were originally meant to prevent school closures, but over the last 30 years they have become routine and no longer reflect true emergencies, often lasting for 5, 10 or even 15 years—a long time for any emergency.

The surge in property taxes has been especially harmful to older homeowners and those on fixed incomes who are struggling to remain in their homes.

### **Why Is House Bill 920 Failing?**

We all know that H.B. 920 was intended to prevent rising property values from leading to automatic tax increases. However, most of Ohio's 611 school districts have reached the 20-mill floor. At the 20 mill floor, when home values increase, property taxes in these districts also go up. As a result, reappraisals and updates in recent years have driven up tax bills.

One homeowner in Cincinnati purchased a house for \$215,000 in 2019. It has now been appraised at \$700,000, and their property taxes have jumped from \$5,000 to \$15,000, according to the Cincinnati Enquirer.

In another case, the value of a piece of land beneath a garage in Columbus increased over 3,000%—from \$1,300 to \$44,000—after Franklin County's most recent reappraisal, according to The Columbus Dispatch.

Statewide, average property values increased by 30% last year. In Cuyahoga County, values rose 32% on average, and in some cities, values doubled. In Franklin County, property values increased 52%, while residential property jumped 71% in the last reappraisal.

### The Levy Loophole Incentive

Because school districts benefit from unrestrained growth when at the 20-mill floor, schools in need of additional revenue that are also reasonably close to, or at, the 20-mill floor are incentivized to only offer new levies to voters that are not included when determining whether the district is at the 20-mill floor. We call this the Levy Loophole Incentive.

Many levies are not included when determining the 20-mill floor:

Levies Not Factored into the 20-mill Floor <sup>1</sup>	
General Operation Levies	Specific Purpose Levies
Emergency	Bonds
Substitute	Permanent Improvement
School District Income Taxes (millage equivalent)	Recreation
	Libraries
	Safety & Security

Data shows that schools are being influenced by this incentive to plan around H.B. 920’s taxpayer protections. The following chart illustrates that 80% of school districts are at, or closing in on, the 20-mill floor for at least one class of property, up from 70% based on FY2022 data.

In at Least One Class of Property	Number of School Districts (FY2024)	Cumulative Percentage (FY2024)
Less than 20 mills	10	0.2%
At 20-mill floor	340	57%
Near 20-mill floor (20-22 mills)	145	80%
22.01-25 mills	23	85%
More than 25 mills	93	100%

(Source: Ohio Department of Taxation – Tax year 2024 Aggregate Property Tax Rates by school District and Levy Purposes, dated January 30, 2025.)

<sup>1</sup> *Property Taxation and School Funding*, Ohio Department of Taxation, Meghan Sullivan and Mike Sobul, Updated February 2010. <https://tax.ohio.gov/researcher/tax-analysis/tax-data-series/school-district-data/publications-tds-school/publications-tds-school>.

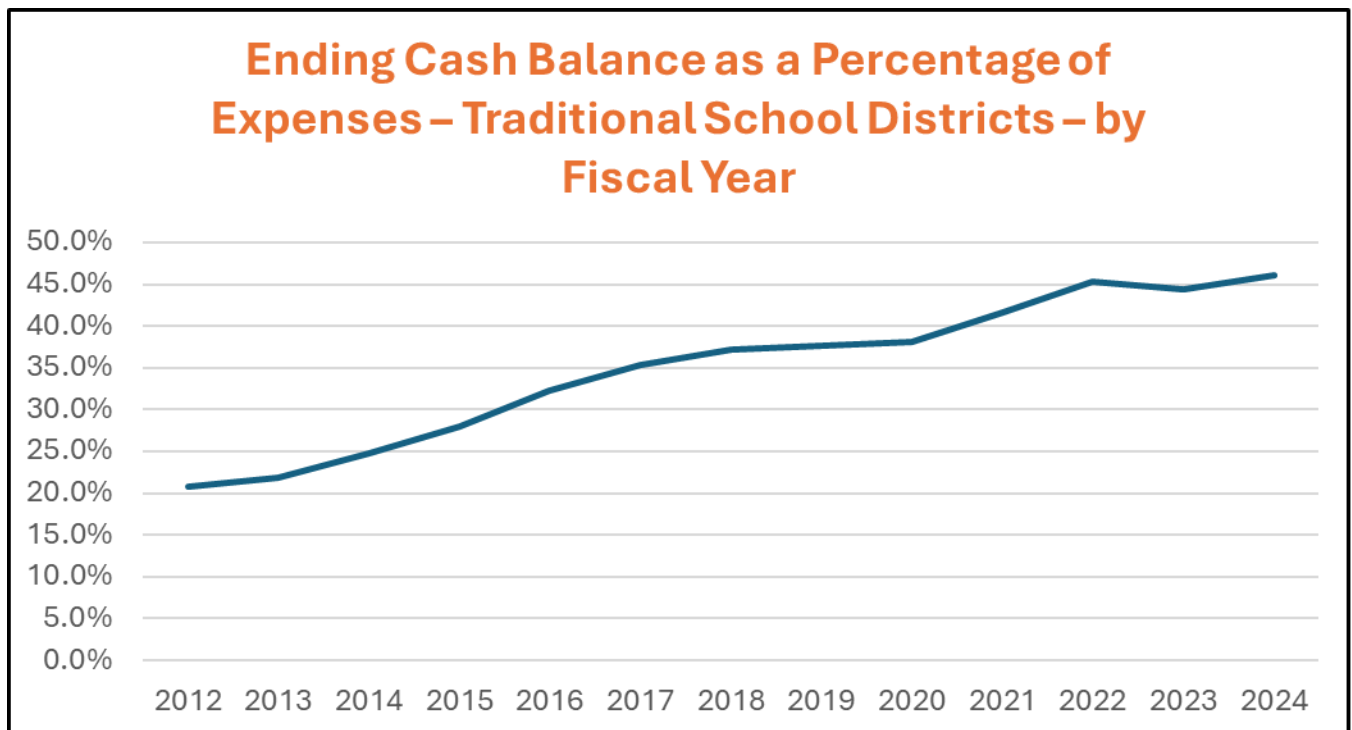
## What Would S.B. 66 Do for Homeowners?

S.B. 66 would, in part, restore the protections of House Bill 920 that have eroded away over the past 50 years and ensure that property taxes remain fair and stable. Many property-rich homeowners who are retired or on fixed incomes are being forced to sell their homes because they cannot keep up with inflation-driven tax hikes. S.B. 66 is one way to effectively restore the protection of H.B. 920.

## Current School District Revenues Would Stay Intact

It is important to note that the changes made by S.B. 66 will not reduce or clawback any revenues currently being generated for school districts by the property tax system. Instead, S.B. 66 merely tamps down the rate of future growth in tax revenues.

Recent data from the Ohio Department of Education & Workforce also proves that the overall financial health of Ohio’s school districts is excellent. In 2012, cash reserves on hand at the end of the fiscal year covered, on average, about 22% of a school district’s annual expenses. Just 14 years later, cash reserves on hand at the end of FY2024 have, on average, doubled to over 45% of annual expenses.



Source: Ohio Department of Education & Workforce, <https://reports.education.ohio.gov/report/finance-cash-balance-analytics>

While those statistics are averages for all Ohio districts, the next chart breaks down these cash reserves by school district characteristics.

Typology	Cash as % of Expenses (FY2024)	Number of School Districts
Rural - High Student Poverty & Small Student Population	54.2%	123
Small Town - Low Student Poverty & Small Student Population	47.8%	110
Rural - Average Student Poverty & Very Small Student Population	61.1%	106
Small Town - High Student Poverty & Average Student Population	48.0%	89
Suburban - Low Student Poverty & Average Student Population Size	43.4%	77
Urban - High Student Poverty & Average Student Population	51.0%	47
Suburban - Very Low Student Poverty & Large Student Population	47.9%	46
Urban - Very High Student Poverty & Very Large Student Population	29.6%	8

Ohio Department of Education & Workforce, <https://reports.education.ohio.gov/report/finance-cash-balance-analytics>

As you can see, with the exception of 8 school districts (that “only” had about 30% cash reserves), all other districts had cash reserves available to cover 40%, or 50% or 60% of their annual expenses. Some districts even had over 100% of their annual expenses covered by year end cash reserves.

### Conclusion

In conclusion, please consider the following:

1. S.B. 66 addresses one core element of the Taxpayer Protection Act’s central theme to eliminate unvoted, inflationary increases of real property taxes.
2. S.B. 66 will not take away current tax revenues from Ohio’s schools, but merely hold down the rate of future unvoted growth in revenues.
3. Ohio’s schools generally have healthy cash reserves, according to the Department of Education & Workforce.

Now is the time to ensure that property owners, too, are in good financial shape by reinstating H.B. 920’s protections. More information on the Taxpayer Protection Act and the Coalition’s efforts will soon be available on its website: [www.taxpayerprotectionact.com](http://www.taxpayerprotectionact.com).

Mr. Chairman, thank you allowing us to provide this testimony. We would be happy to answer any questions by you or the other members of the Committee.