



Michele Reynolds

Ohio Senate 3rd District

Sponsor Testimony on SB 275 – Tax Deferral

Chair Blessing, Vice Chair Roegner, Ranking Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 275.

As we all know, property taxes are a significant burden for Ohio homeowners, especially those with low-to-moderate incomes. After the most recent six-year reappraisal, many of our constituents found themselves with property tax bills greater than their mortgage payments. As we work towards long-term solutions, more time-sensitive options are needed by our constituents.

Senate Bill 275 address these challenges in 4 main steps:

1. It establishes a property tax deferral program for low-to-moderate income homeowners.
2. It creates a parallel manufactured home tax exemption tied to real property exemptions, ensuring fairness across housing types.
3. It implements a residential rental property registration system to track ownership, improving accountability and transparency.
4. It updates fund management and auditing procedures to ensure proper compliance and timely reimbursement to taxing districts.

At the center of this program is the Property Tax Deferral Revolving Fund, created in the state treasury. Through SB 275, county treasurers certify deferred taxes to the tax commissioner, who reimburses counties from the fund. If the fund is temporarily insufficient, the Director of Budget & Management can transfer resources from the general fund to ensure counties are reimbursed promptly.

To qualify, a homeowner's total income must be 250% or less of the federal poverty level. Eligible homeowners may defer a portion of their property taxes, reducing the immediate financial burden while maintaining ownership of their homes.

Deferred taxes become payable under specific circumstances:

- The death of the eligible homeowner, unless the property passes to a surviving heir who re-applies.
- When the property is no longer occupied as a homestead, except for temporary medical absences.
- Upon sale or other conveyance of the homestead, unless structured trusts allow continued occupancy.
- If the homeowner's total income exceeds 250% of the federal poverty level.

Deferred taxes are collected like current taxes, and unpaid amounts eventually become delinquent. Homeowners may also enter into a payment plan based on the number of deferred years, and they are free to make voluntary early payments without affecting their eligibility for deferral.

Senate Bill 275 strikes the right balance between supporting Ohio homeowners, protecting taxing districts, and ensuring efficient administration. I urge this committee to support S.B. 275 and help Ohio homeowners stay in their homes while supporting local government operations. Thank you for your time and consideration. I'm happy to answer any questions.