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H.B. 22
(1_136_0229-4)
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 22's Bill Analysis](#)

Version: In House Ways and Means

Primary Sponsors: Reps. Lorenz and D. Thomas

Local Impact Statement Procedure Required: No

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Highlights

- The bill extends the enhanced homestead exemption to surviving spouses of service members killed in the line of duty, resulting in an estimated cost to the state of \$1.1 million in tax year (TY) 2026, and years thereafter.
- Revenue losses of school districts and local governments would be fully reimbursed from the state GRF.

Detailed Analysis

The bill allows surviving spouses of a member of the United States armed services, including reserve components and the national guard, who was killed in the line of duty to qualify for the enhanced homestead exemption on their primary residence. For the purposes of the bill, “killed in the line of duty” includes deaths that occur while performing duty as well as deaths caused by injuries or illnesses sustained during duty, such as a heart attack or other fatal medical event. The exemption would apply for the tax year in which the qualifying service member died through the tax year when the surviving spouse dies or remarries a person not related to the surviving spouse by common ancestry.

Continuing law provides a homestead exemption to about 705,000 households (as of TY 2023), of which roughly 2% of this total benefited from the enhanced homestead exemption that equals double the value of the regular homestead exemption. The dollar amounts of the two homestead exemptions vary every year because they are indexed to inflation. Legislative Budget Office (LBO) staff estimates the enhanced homestead exemption will exclude \$59,300 of a home’s market value from property taxes in TY 2026.

Overall, the total cost to the state is estimated to be \$1.1 million for TY 2026, which correlates with GRF expenditures in calendar year 2027 (where approximately 50% of the total

GRF cost will be incurred in the latter half of FY 2027 and the remaining amount in the first half of FY 2028). The average property tax rate paid by households claiming the homestead exemption was 50 mills for TY 2023. When assuming the tax rate remains unchanged in TY 2026, the beneficiaries of H.B. 22 will save about \$1,038 (on average) for TY 2026 under a policy that grants them the enhanced homestead exemption. The United States Department of War (formerly the Department of Defense) publishes data on active duty military deaths by year, war, and manner of death. The data are at the national level and include no information on surviving spouses. From 1980 through 2022, about 61,000 active duty military deaths were reported, about 9% of which were attributed to hostile action.¹ Of these deaths attributed to hostile action, perhaps around 2,100 may have been Ohioans, based on the state's 3.5% share of the population.

According to the U.S. Census Bureau's 2023 American Community Survey (ACS), about 70% of surviving spouses in Ohio owned their homes. In addition, based on the assumption that roughly half of the active duty service members who died were married, given their age distribution,² the number of surviving spouses who would have been exempt from property taxes if H.B. 22 is enacted is estimated to be approximately 1,100. LBO assumes that none of the surviving spouses currently benefit from the existing homestead exemption, which may later prove to be a conservative approach.

The bill's benefit for surviving spouses is written as amendments of the Revised Code sections that provide for the homestead exemption. Revenue losses to school districts and local governments as a result of homestead exemptions are fully reimbursed from the state GRF. Consequently, the revenue losses from the bill would also be fully reimbursed.

Synopsis of Fiscal Effect Changes

The substitute bill replaces the 100% property tax exemption in the As Introduced (previous) bill with a tax exemption that excludes up to \$59,300 of the homeowner's market value (as adjusted for inflation in subsequent years) from property tax. Exempting applicable surviving spouses from 100% of their property tax payable would cost the GRF approximately \$3.0 million per year. The GRF cost estimated for the substitute bill is \$1.1 million annually, or \$1.9 million less than the annual cost estimated for the As Introduced bill.

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¹ The data can be found in the Defense Casualty Analysis System's website at: dcas.dmdc.osd.mil.

² An indication of the ages of active duty Ohioans who died in service is found in this compilation of pictures: [Ohio fallen heroes](#).