



**Senate Ways and Means Committee
HB 66 Proponent Testimony**

**Ohio School Boards Association
Buckeye Association of School Administrators
Ohio Association of School Business Officials**

December 13, 2022

Chair Blessing, Vice Chair Roegner, Ranking Member Martin, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide written testimony in support of HB 66.

Our three organizations represent public school district boards of education, superintendents, treasurers/CFOs, business managers, and other school business officials from around the state. HB 66 would require the state's review of tax expenditures to include information on property tax exemptions and the Tax Expenditure Review Committee to periodically review each property tax exemption. On behalf of our members, we support these changes as a positive step in highlighting the effects of property tax exemptions on school district resources.

Property tax exemptions can be an effective tool for local governments in managing economic growth and they can help to encourage economic activity where it is needed most. However, it is important to be sure that property tax exemptions are serving their intended purpose. HB 66 would establish a mechanism for examining whether that purpose is being served and inform future action related to property tax exemptions.

Not only do property tax exemptions affect available revenue for the operation of a school district, in many cases, the other taxpayers in the district are also affected. Depending on the type of levy, other taxpayers may have to pay a higher tax rate due to the property tax exemptions that have been granted.

Further, school district boards of education have little control over the property tax exemptions that are offered, and in some cases, no control. Yet, school districts realize a greater negative impact on revenue any other taxing entity when an exemption is granted. In some cases, the exemption may increase a district's costs because of residential development linked to activity from a property tax exemption.

Because schools have such a vested interest in the state's property tax exemption laws, our members encourage an in-depth review of their effects. HB 66 represents sound public

policy by requiring an ongoing review of property tax exemptions. We urge you to support the bill.

One addition to the bill that we hope you'll consider is a requirement that the review of the effects of local property tax exemptions include documentation of the financial impact on each school district and local government entity. The bill requires the Tax Expenditure Review Committee to consider the fiscal impact of the tax expenditure or property tax exemption on state and local taxing authorities and subdivisions; however, there is no requirement for determining the impact on individual taxing entities.

Again, thank you for considering our testimony

Respectfully submitted,

Katie Johnson, OASBO
Jennifer Hogue, OSBA
Tom Perkins, BASA