



OHIO HOUSE WAYS AND MEANS COMMITTEE

Opponent Testimony on House Bill 1

Cleveland Mayor Justin M. Bibb and Cleveland City Council President Blaine A. Griffin

March 14, 2023

Chair Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the Ohio House Ways and Means Committee – on behalf of the City of Cleveland, thank you for this opportunity to submit written testimony in opposition to House Bill 1.

This legislation, in addition to other tax changes, proposes to create a flat state income tax rate. While some might consider the proposal a tax relief plan, H.B. 1, as written, is anything but for most Ohioans when examining the consequences of how the measure pays for its estimated \$2 billion price tag.

The bill, among other changes, would eliminate a property tax relief program – known as the 10 percent rollback – that save residential and agricultural taxpayers about \$1.2 billion in property taxes because the state compensates this amount to schools, libraries, parks, local governments, and other local agencies.

H.B. 1 would be financially devastating for us locally. For the City of Cleveland, based on current budgeted figures, it would mean a reduction of up to \$10 million each year. This would leave the city with less to invest in everything from our safety forces and street paving to our health initiatives and housing programs. The Cleveland Metropolitan School District, meanwhile, would face even more significant challenges as officials there estimate losses in the tens of millions of dollars. Similarly, our regional partners – Cuyahoga County, Cleveland Metroparks, Cuyahoga Community College, and our public library systems – all anticipate major shortfalls should H.B. 1 become law.

As a result of this potential reality, Cleveland and our community partners would be in the unenviable position of either cutting services upon which our residents depend, or raising taxes through levy increases or other measures. In the end, our taxpayers would lose out – whether through service cuts, or an increased tax burden, or a mixture of both.

The legislation expresses an intention to hold local governments and others harmless in the next two-year budget under consideration by the Ohio General Assembly. However, the bill fails to detail the funding

mechanism, nor does it provide a long-term financial commitment in the future to those entities drastically impacted by its effects – some of which still are being revealed.

The devastating impact H.B. 1 would have on taxpayers, libraries, schools, mental health agencies, parks, community colleges, and local governments make this legislation untenable – not only for Cleveland and northeast Ohio, but for the entire state.

Respectfully, we urge the Ohio House Ways and Means Committee to reject H.B. 1.