



County Auditors Association of Ohio
David Thomas, Ashtabula County Auditor
Proponent Testimony on House Bill 57
Tuesday, March 21, 2023

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy and members of the Ohio House Ways and Means Committee, I am Ashtabula County Auditor David Thomas and thank you for the opportunity to testify today on behalf of the County Auditors Association of Ohio in support of House Bill 57, a bill Sponsored by two of your fellow Committee Members Representatives Demetriou and Hall. This is an important piece of legislation to our communities and saves Ohio seniors and disabled veterans money by indexing the homestead exemption savings to inflation.

Under current law, the Homestead Exemption allows low-income senior citizens and permanently and totally disabled Ohioans to reduce their property tax bills by shielding some of the market value of their homes from taxation. The exemption, which takes the form of a credit on property tax bills, allows qualifying homeowners to exempt up to \$25,000 of the market value of their homes from all property taxes. For example, a home with a market value of \$100,000 is billed as if it is valued at \$75,000.

Starting in 2013, Traditional Homestead became means tested for income and that threshold is increased each year for inflation. For seniors applying this year, they must have less than \$36,100 in Ohio Adjusted Gross Income. Some pensions, investment income, and traditional wages count in Ohio Adjusted Gross Income. Social Security does not count.

Additionally, The Disabled Veterans Expanded Homestead Exemption is available for military veterans who have been determined to have a 100% service-connected disability, (or be a surviving spouse) and own and have occupied a home as the principal place of residence on January 1st of the year in which the application is filed. This program exempts \$50,000 of market value from their home. For example, a home with a market value of \$100,000 is billed as if it is valued at \$50,000.

For Ashtabula County, the average savings for traditional Homestead Exemption is \$450. This will vary from county to county based on the tax rates found in each community. The amount of property value credit is the same across the State of Ohio being \$25,000 off the value of the property, but the tax savings will vary. In Ashtabula County alone, 425 households benefited from the Homestead Credit. I hear directly from these property owners that often without this savings, they simply could not afford to live in their homes anymore.

I like HB 57 because it indexes the amount of the property tax homestead exemption for a homeowner who is elderly or disabled, a disabled veteran, or the surviving spouse of a public service officer killed in the line of duty. This means that the value being credited for Homestead would increase from \$25,000 for Traditional Homestead and \$50,000 for Veteran Homestead each year based on GDP inflation. So those receiving Homestead would see an increase in savings yearly instead of a flat savings as is current law.

My colleagues across the state and I hear regularly from constituents who are thankful for the support from this exemption. But as time passes with no change to the value of the exemption, the effect of this critical exemption declines. Since 2007, when the exemption was locked at \$25,000, the value of the real dollar savings of the exemption has gone down more than 20%. Continued new levies and higher tax rates at the local level means that the cost of property taxes has increased to property owners, while the savings to those on Homestead has stayed flat.

Why Ohio's County Auditors are supporting HB 57 and other bills increasing the Homestead Tax Benefit is two fold. One, and I even had this conversation just last week, we hear directly from our seniors on a fixed income when they pay their tax bill and how difficult it is to get by with rising costs and taxes. Homestead doesn't solve their problems, but it makes their financial decisions easier with the savings.

The other reason we are supportive of increasing Homestead savings is that this is one of the tax credits or exemptions which does not harm taxpayers or increase property tax rates for others. Many incentive programs lead to rising tax rates to other property owners to keep local government revenue whole under HB 920. Homestead is instead a reimbursement from the State and all of the variety of State Tax Revenue instead of just property tax revenue.

There can be many costs and barriers to those aging in place on a fixed income. Health concerns, general cost of living, and housing maintenance all contribute to a sometimes difficult financial situation for our elders or disabled homeowners. Property taxes should not be the reason a senior citizen loses their home or is forced to move and the CAAO believes this bill will help move us towards the goal of providing more stability for our Seniors, Disabled, and wounded Veterans.

The CAAO and I urge the House Ways and Means Committee favorable pass HB57.

I know that this committee is hearing HB60 today as well. The CAAO also supports HB60 which is incredibly important to our communities as the population of older residents continues to grow and housing burdens perpetuate. Both HB57 and HB60 increase the Homestead Tax Benefit in ways that will directly help Ohioans.

Thank you for your time and I would be happy to answer any questions from the committee.