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House Ways & Means Committee
Sponsor Testimony – H.B. 274
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Chairman Roemer, Vice-Chairman Lorenz, Ranking Member Troy, and my fellow members of the House Ways and Means Committee, thank you for the opportunity to present sponsor testimony regarding House Bill 274, a measure that will bring about needed adjustments to Ohio's homestead property tax exemption program. And thank you Representative Mathews for your work in co-sponsoring this important legislation.

HB 274 reflects the urgency and efforts demonstrated by our own committee members and legislators to upgrade Ohio's homestead exemption program in this current term, including by way of example, HB57 to index the exemption for future inflation, HB 60, which did the same but also increases the property value exemption and expands the household annual income qualification to participate, and SB43, signed into law by Governor DeWine, to extend the exemption to surviving spouses of disabled veterans.

All these proposals reflect one clear consideration: our bipartisan recognition and concern that the resources of many Ohio senior and disabled homeowners are increasingly insufficient to meet their property tax burden--**and they need our help**. HB274 is a further advancement designed to address that urgent need.

For a historical context, Ohio's homestead exemption program was established by a constitutional amendment in 1970 for low-income property owners. In later years, the original household means test was eliminated and more seniors were thereby able to enter the program. Since 2014, veterans totally and permanently disabled from a service-related injury became entitled to an increased exemption from \$25,000 to \$50,000 without any age or income requirement, and in 2021 that same tax relief was extended to surviving spouses of public safety personnel killed in the line of duty.

The annual income threshold is currently now set at \$36,100 per household. However, the \$25,000 of valuation exemption for most qualifying seniors has not been increased since 2007. By way of contrast, housing values have been skyrocketing at a far higher rate over those 16

years. This renders the exemption far less valuable for those senior and disabled homeowners, since it represents an annually diminishing percentage of their total property valuation.

The result is that the actual worth of that \$25,000 exemption, fixed for almost a generation at \$25,000 since 2007, has lost 20% of its nominal value due to inflationary pressures over that time. Now, we are anticipating very large real property tax reappraisal valuations in the current cycle. Increasing property valuations over the years will continue to diminish the value of the relief afforded by the homestead exemption. More qualifying homeowners will be at risk of losing their homes due to increased property tax burdens. Considering that age and demographic trends are forcing more Ohioans off the program than ever before, this is the time to take action on this critical issue.

After all, these are the Ohioans who helped build our nation and carried us through multiple crises over the years, all while raising their families and paying their taxes in the expectation that they would not be taxed out of their homes later in life. HB274 will increase the exemption value to reflect the increasing property tax burden confronting these qualifying homeowners.

Having served eight years as Mayor of one of the demographically oldest communities in Ohio, I was regularly challenged to assist our residents in managing their living expenses in the face of ever-increasing property taxes, to age in place and retain their homes for themselves and their families. A municipal department of community services and food pantry were needed to be established at city hall to assist our struggling seniors and families. That department has been further expanded by my successor since I left that office.

Very simply, our senior and disabled long-term homeowners deserve this tax relief. And the state of Ohio is in a historically strong financial condition to support this expansion of the homestead exemption program. Mr. Chairman and fellow committee members, thank for your consideration of this proposal. I respectfully request your support for HB274.