



HOUSE BILL 274  
PROPONENT TESTIMONY  
House Ways & Means Committee  
December 5, 2023

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the committee, I am Franklin County Auditor Michael Stinziano and I thank you for the opportunity to voice my support and the support of the County Auditor's Association of Ohio for H.B. 274. Modernizing Ohio's homestead exemption is incredibly important to ensuring housing choice and affordability for older adults.

Providing the best possible support to older residents has long been a priority of my public service career including as a representative and city council member. Now as County Auditor, I regularly hear from residents facing cost and tax burdens who desperately want to be able to age in place and retain their homes for themselves and their families. Such outreach has become more pronounced throughout Franklin County's 2023 reappraisal process. It was my goal when I took office four years ago to have as transparent and equitable an appraisal process as possible, while emphasizing the critical need to not have residents especially older residents taxed out of their homes. We partnered with the Age Friendly Innovation Center of Columbus and Franklin County to specifically examine the role property taxes play for older residents.<sup>1</sup>

Approving this bill to create an enhanced homestead exemption for long-term homeowners would result in noticeable property tax savings for those who qualify.

**The expansion would impact about 40% of Franklin County's existing homestead recipients and offer increased tax savings to the growing older adult population.**

The number of older adults in Franklin County is growing and so are their housing costs. Between 2010 and 2040, the number of older adults 65 and older living in Franklin County is projected to double, bringing the percentage of Franklin County residents who are 65 and older up to 15%.<sup>2</sup> The Joint Center for Housing Studies found that the housing burden for older residents had reached an all-time high in 2017, labeling 24% of homeowners aged 65 and above in the Columbus Metropolitan

<sup>1</sup> Will be cited as "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" throughout. Full report available here: <https://www.franklincountyauditor.com/AUDR-website/media/Documents/Community%20Relations/In%20the%20News/Auditor-age-friendly-report.pdf>

<sup>2</sup> "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" page 3



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Statistical Area as housing cost burdened.<sup>3</sup> This is despite a median income in this population of \$50,000 per year.<sup>4</sup> Additionally, forty-percent of older adults are paying a mortgage into retirement.<sup>5</sup>

The increasingly burdensome cost of owning a home is most stark for those who have owned their homes for decades. Seniors who purchased their homes in the 1970s, 80s, and 90s for less than \$100,000, some for as low as \$30,000, have seen the values of their homes multiply and their tax bills creep up over time. Where property tax payments were once manageable on a fixed income, Franklin County property owners well past working age are concerned about their ability to pay even a portion of their tax bills along with their groceries, medications, and other necessities. Nobody should be forced out of their home of 20 years or more because of a flawed property tax system.

Currently, about 42,650 homeowners in Franklin County receive the homestead exemption. Of that total, about 40%, or 18,550 homeowners, have owned their homes for 20 years or more. This percentage does not account for the properties currently receiving a homestead exemption that have been transferred into a trust at some point since initially qualifying for the program.

Because of these figures and the messages I receive almost daily from older adults who fear they won't be able to afford their future property taxes, I support this necessary step to modernize the homestead exemption. But, the bill could be made even stronger by 1) ensuring that continued occupancy of the home, even if transferred into a trust, would not disqualify a current homestead recipient from this bill's proposed enhancement; 2) increasing the income eligibility threshold for older adults and disabled homeowners for the basic homestead exemption; and 3) considering the implications of required long-term ownership for the overall housing market.

### **The current income eligibility threshold does not meet the needs of a growing older adult population.**

The trends mentioned above emphasize the need for an accessible homestead exemption, but the current eligibility structure means fewer older adults are eligible every year. In the last four years alone the number of people receiving the homestead exemption in Franklin County decreased by about 20%, largely because those who do not meet the current low-income threshold are leaving the program and very few new households qualify. Of the households that currently qualify in Franklin County, less than 20% of them meet the income threshold ten years after its implementation. Further, more than 80% of Franklin County's homestead recipients were grandfathered in during the 2007-2013 period where no income eligibility requirement was in place.

Increasing the income eligibility threshold would improve access to this exemption and was a key Age Friendly recommendation.<sup>6</sup> A \$45,000 income threshold for the state, while continuing future indexing, would be an incredible boon to our older residents.

### **Tying an enhanced exemption amount to long-term ownership limits housing choice for older adults and may have affordability impacts on the market overall.**

For homeowners of all ages, property tax relief can alleviate affordability pressures. However, affordability is only one component of what is considered appropriate housing for older adults. Accessibility features (or a lack thereof), maintenance needs for the property inside and out, distance to medical facilities, the existence of social programs and transportation options, and proximity to

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<sup>3</sup> <https://www.jchs.harvard.edu/cost-burdens-among-older-adults-are-all-time-high> (the report was released in 2019 and reviewed data from 2012 to 2017) Note: the Columbus, Ohio Metropolitan Statistics Area which is used as the unit for many federal housing and other programs and is generally what "Central Ohio" refers to Delaware, Fairfield, Hocking, Licking, Madison, Morrow, Perry, Pickaway, and Union counties.

<sup>4</sup> <https://www.jchs.harvard.edu/cost-burdens-among-older-adults-are-all-time-high>

<sup>5</sup> "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" page 3

<sup>6</sup> "Older Adults and Property Taxes: Findings and Recommendations in Franklin County" page 5. Looking at Franklin County specifically the report recommends a \$50,000 income eligibility level.

family and friends are all objectives that older adults and their families must balance in deciding if “aging in place” is right for that individual.<sup>7</sup>

Additionally, today’s older adults, those born after 1931, are already more likely to stay in their family homes for longer. This trend accounted for about 1.6 million houses being held back from the national market in 2018, representing close to a typical year’s supply of new construction.<sup>8</sup> While the supply shortage is not the only factor to blame for rising housing costs, incentivizing older adults, who might be better served by a different living environment, to stay in their homes for longer will likely have affordability impacts on the housing market overall.

## **Conclusion**

The homestead exemption program is a popular and critical protection for long-standing and older Ohio residents. The changes proposed in H.B. 274 will have a sizeable financial impact for qualifying older homeowners, bringing peace of mind and the continuity of generational assets for many families. I hope the committee will continue to pursue widespread changes to the homestead exemption to benefit a larger proportion of Ohio’s older adults. I appreciate the desire to make housing more affordable for older Ohioans, and would welcome the opportunity to work together on a solution that best suits the needs of our aging population.

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<sup>7</sup> <https://www.urban.org/urban-wire/american-seniors-prefer-age-place-whats-right-place>

<sup>8</sup> <https://www.freddiemac.com/research/insight/20190206-seniors-age-millennials-wait>