



OHIO SOYBEAN ASSOCIATION

House Bill 153 Proponent Testimony
Patrick Knouff, President
Ohio Soybean Association
Senate Ways and Means Committee
September 27, 2023

Chairman Blessing, Vice Chair Roegner, Ranking Member Smith and members of the Ohio Senate Ways and Means Committee, I am pleased to offer proponent testimony regarding Senate Bill 153 on behalf of members of the Ohio Soybean Association (OSA).

The Ohio Soybean Association provides leadership for Ohio's soybean farmers in promoting effective policies and legislation to ensure a growing and profitable soybean industry. Soybean production makes up a significant portion of Ohio's agriculture industry with a total economic impact of more than \$7.5 billion. Our members engage in a diverse set of policy initiatives to help promote and grow these contributions to Ohio's economy.

OSA supports provisions in Senate Bill 153 that will allow farmland valuations, which are calculated under the Current Agricultural Use Valuation (CAUV) formula, to be averaged over a three-year period. This represents parity with the bill's approach to residential property valuations.

Ohio farmers have faced a volatile farm economy recently. While crop prices have been high, margins remain low due to increased input prices. In fact, the United States Department of Agriculture is forecasting a 23% decrease in net farm income for 2023. Increasing borrowing costs now present new challenges for producers as well. On top of the challenging farm economy, CAUV rates are set to increase by a statewide average of 100% for counties being reevaluated this year.

Reform of the CAUV program, last passed by the legislature in 2017, made significant progress toward a more accurate accounting of farmland's value based on its ability to generate income from agricultural production. However, given these challenges, we appreciate the bill's approach to provide some relief from increasing property taxes on our most important production asset.

There will be an additional opportunity to evaluate the efficacy of our property tax system by the property tax study committee created under House Bill 33. Until that process can be completed, provisions in SB 153 will provide needed short-term relief.