



House Ways and Means Committee  
House Bill 129 Testimony  
Buckeye Association of School Administrators (BASA)  
Ohio School Boards Association (OSBA)  
June 4, 2025

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide written testimony on House Bill (HB) 129. On behalf of our members, we are opposed to HB 129 in its current form.

We would like to thank Rep. Thomas for his efforts to provide property tax relief to Ohioans. This issue continues to be a top priority for both the citizens of this state and the General Assembly, and we are committed to helping identify and produce solutions to this complex and challenging issue.

Since 1976, provisions have been in place to help protect property owners from increases in property taxes when the value of their property increases due to reappraisal or update by their county auditor. This protection, known as House Bill 920, works to reduce a school levy's millage rate so that the levy generates no additional revenue than what it produced when it was first approved by voters. However, since Ohio law does not allow a school district's combined real property millage to fall below 20 effective mills, which is the source of the 20- mill floor term, the reduction factor no longer applies. In this case, a 10% increase in a property's value will generally result in an equivalent 10% increase in property taxes.

The reduction factor and rising property values are also responsible for pushing more and more school districts down to the 20-mill floor. As property values rise, millage rates are reduced, and districts approach and land at the floor. In tax year 2018, the number of districts who found themselves at the Class I floor was 168. In tax year 2023, spiking property values grew that list to 409. Meanwhile, between tax year 2022 and 2023, 89% of the new floor districts went through reappraisal or update in 2023, which indicates that the driving force in 20-mill floor districts clearly is rising property values.

In response, HB 129 would include emergency levies, substitute levies, and school district income taxes (SDIT) into the calculation of the 20-mill floor, which would increase the effective millage rate of districts with those levies, bringing them well above the floor and disqualifying them from the percent-per-dollar revenue increase. However, the bill would provide no relief to property owners in the 203 districts at the floor that do not have a substitute, emergency levy or income tax. Therefore, they would continue to experience unrestricted revenue increases from reappraisals or updates. HB 129 would also force the affected school districts to either cut essential services or place more levies on the ballot in response, or both. Those new levies might also come at a higher cost to property owners because new levies no longer qualify for the state-paid property tax discounts.

Our organizations have concerns regarding the constitutionality of including SDIT in the 20-mill floor calculation. **We would request that the SDIT provisions be removed from the bill.**

Ohio's property taxation system is one of the most complicated in the country and we are in support of simplifying it to help taxpayers. **We would recommend renaming emergency and substitute levies to indicate what they truly are - fixed sum levies.**

Lastly, as the legislature considers changes to the 20-mill floor calculation **we would request that they be either phased in over a period of time or take effect when the levies expire.** Chair Roemer and members of the committee, thank you for your time and attention.

Respectfully submitted,

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