



OHIO CHAMBER OF COMMERCE LEGISLATIVE UPDATE

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Analysis From the Ohio Chamber on Recently Announced Ohio House and Senate Property Tax Plans

The Ohio Senate introduced their property tax relief plan in their sub-bill of the budget (HB 96) yesterday. The Senate sub-bill contains some of the solutions advocated for by the Chamber and Taxpayer Protection Coalition to address unvoted tax increases, including adopting language from HB 28 (eliminating replacement levies) and SB 66 (factoring in emergency and substitute levies into 20-mill floor). The Senate budget also expands the 30% carryover threshold set in the House budget to 50% and prohibits a school district with over 100% cash balance from proposing a current expense levy. Additionally, it allows the county budget commission to reduce millage on any voter-approved tax levy, aside from a debt levy, if the commission finds it reasonably necessary or prudent to avoid unnecessary, excessive, or unneeded property tax collections.

Alternatively, on the House side, Chairman Roemer and Representative David Thomas held a press conference this afternoon to announce their property tax reform bill that is expected to be introduced tomorrow. Notably, the House plan abolishes the ability for counties, schools, villages and cities to levy inside millage, with the exception of townships' current mills. Inside millage is millage that does not have to be approved by the voters, as the Ohio Constitution allows for the first 10 mills (or 1%) of property taxes on your tax bill to be charged without prior

approval. By eliminating inside millage, the House believes this will yield \$3.5B in property tax relief for Ohioans. However, the legislation increases the cap for County Sales tax by 1% and allows an additional homestead exemption on the local level. Lastly, the House bill also contains a few bills that were previously introduced this General Assembly, including HB 186 (limiting 20-mill floor growth to inflation), which the Chamber supported, HB 129, and HB 309.

We are actively reviewing and monitoring these proposals and anticipate the two plans will be negotiated in the Budget Conference Committee in the coming weeks.