



County Auditors' Association of Ohio

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Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide testimony today.

My name is Cindy Waugh. I serve as the Vinton County Auditor and current President of the County Auditors' Association of Ohio. I am here today to provide opponent testimony on House Bill 504.

First, I want to be clear that County Auditors understand the concerns Ohio taxpayers have regarding rising property taxes, and we support continued conversations surrounding meaningful property tax relief and reform.

I also want to acknowledge that this bill is now on its fifth reading. The reason County Auditors are raising concerns at this stage is because counties have spent the last several months actively implementing multiple major property tax bills recently enacted by the Legislature. As the practical application of those laws has unfolded, we are beginning to better understand the cumulative impact these changes may have on taxpayers, schools, and local governments. In addition, one of those recently enacted bills required implementation directly onto second half tax bills, creating significant administrative and timing challenges statewide.

Because these reforms were passed and took effect within a very short timeframe, we believe additional time is needed to fully evaluate the impact of the recently enacted reforms before moving forward with another broad structural change.

HB 504 would significantly reduce local revenue beyond the protections already contained in current law, creating serious long term funding concerns for schools and local governments.

Under current law, House Bill 920 already prevents voted levies from generating additional revenue solely from rising property values. HB 504 would further reduce collections after those reductions have already occurred, compounding the revenue losses associated with HB 335 and HB 186.

In counties experiencing property value increases of 15% or more during a reappraisal or triennial update, HB 504 would reduce tax increases by 67% in the first year and 33% in the second year, after all existing credits and rollback reductions have already been applied.

The cumulative effect of these policies could significantly reduce local revenue year over year and place increasing pressure on schools and local governments to return to voters more frequently simply to maintain basic services and state mandated obligations.

We also have concerns regarding the impact on school funding formulas. The bill does not address "phantom revenue" issues within the state funding model. As local revenue is artificially reduced, schools may continue to appear wealthier on paper while



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collecting less revenue, creating additional financial instability for districts already struggling with inflationary costs.

Another major concern involves fixed sum levies, particularly bond and emergency levies.

Bond levies are approved by voters to repay debt issued for long term capital projects such as school construction and infrastructure improvements. These levies are carefully calibrated to generate the revenue necessary to meet legally binding debt obligations.

If HB 504 reduces effective tax collections after those levies have already been structured and approved by voters, local entities could face revenue shortfalls needed to meet debt payments. This may force districts or local governments to extend repayment periods, seek additional millage in the future, or redirect funding away from other services to satisfy debt obligations.

In addition, uncertainty surrounding repayment capacity could negatively impact credit ratings and increase future borrowing costs, ultimately costing taxpayers more over time.

Finally, with revenue growth increasingly constrained while inflation continues to rise, local governments and schools will continue falling further behind the actual cost of providing services.

We appreciate the Legislature and this committee's continued efforts to address property tax relief and reform. However, we believe HB 504 creates additional long term financial uncertainty for schools and local governments at a time when multiple major reforms are still being implemented statewide.

While we recognize and appreciate the intent behind the bill, we believe additional time, analysis, and discussion are needed to evaluate the cumulative impact of the recently enacted legislation before moving forward with further broad-based changes.

Thank you for your time, and I would be happy to answer any questions.