



# THE BUCKEYE INSTITUTE

## **Improving Local Property Tax Transparency**

Interested Party Testimony  
Ohio House Ways and Means Committee  
Ohio House Bill 28

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As Prepared for Delivery

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the Committee, thank you for the opportunity to testify regarding **Ohio House Bill 28**.

My name is Greg R. Lawson. I am a research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

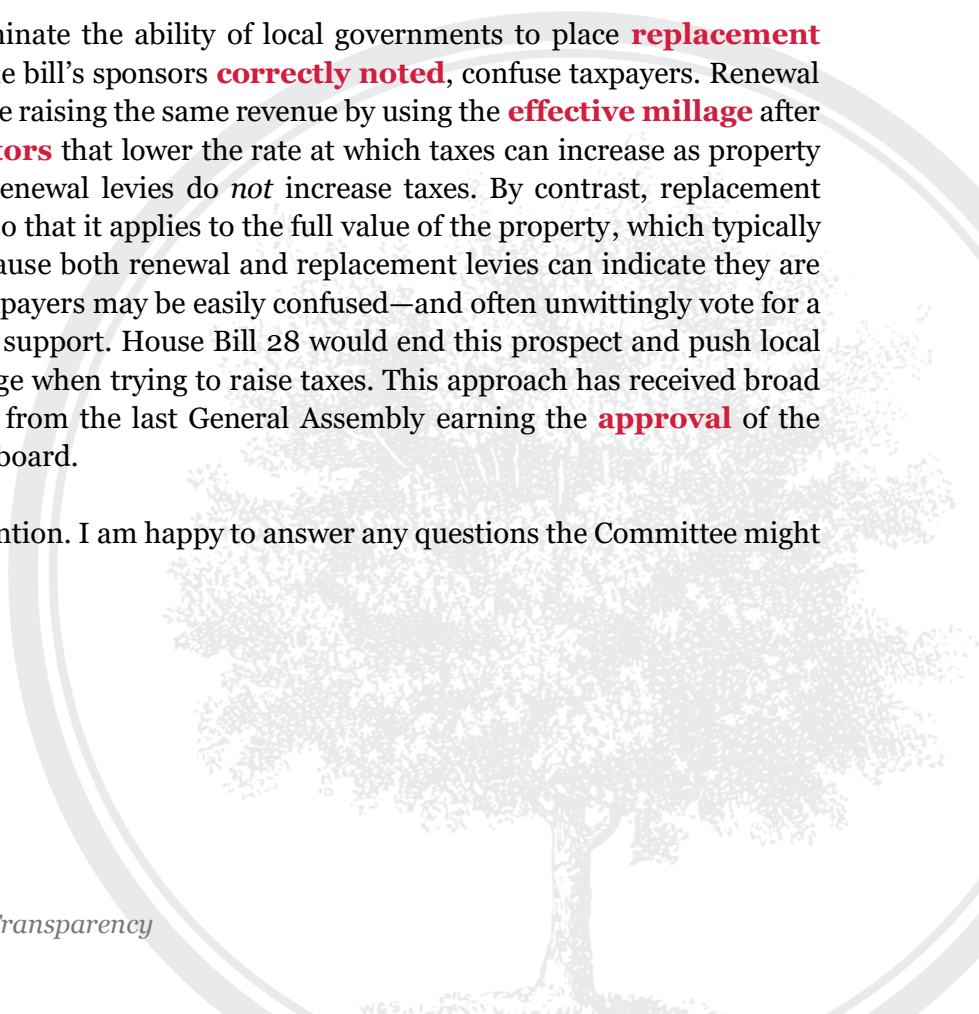
As a percentage of income, Ohio’s local tax burden ranked **13<sup>th</sup>** in the country as of 2020, with property taxes comprising a significant share of that burden. Local taxpayers across the state have seen **substantial increases** in their property tax bills over the course of the past year.

Because most taxpayers may be unaware of the breadth of local government, or how many levies affect their property, they cannot identify the source of their frustration or dissatisfaction. Often, all they know is that their property taxes went up—again. To help address this concern, The Buckeye Institute has called for **more transparency** in local spending and local taxes. The Franklin County auditor’s user-friendly **Levy Estimator** that tracks local taxes offers the joint committee a workable example for the state to emulate.

In the meantime, House Bill 28 can help alleviate some of the local taxpayer frustration, too. Although the bill will not resolve all of the issues driving recent tax increases, including the size, scope, and structure of local governments, it does lay a foundation for building broader reforms while protecting local taxpayers in the shorter term.

House Bill 28 wisely would eliminate the ability of local governments to place **replacement levies** on the ballot, which, as the bill’s sponsors **correctly noted**, confuse taxpayers. Renewal levies extend a previous levy while raising the same revenue by using the **effective millage** after applying certain **reduction factors** that lower the rate at which taxes can increase as property values increase. Consequently, renewal levies do *not* increase taxes. By contrast, replacement levies reset the effective millage so that it applies to the full value of the property, which typically results in tax increases. And because both renewal and replacement levies can indicate they are for the same number of mills, taxpayers may be easily confused—and often unwittingly vote for a tax increase they do not actually support. House Bill 28 would end this prospect and push local governments to use plain language when trying to raise taxes. This approach has received broad support, with similar legislation from the last General Assembly earning the **approval** of the Cleveland *Plain Dealer* editorial board.

Thank you for your time and attention. I am happy to answer any questions the Committee might have.



### ***About The Buckeye Institute***

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