



OHIO TOWNSHIP ASSOCIATION

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House Bill 28, Eliminate Replacement Property Tax Levies
House Ways and Means Committee
Opponent Testimony
March 12, 2025

Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways & Means committee. My name is Kyle Brooks, and I am the Director of Governmental Affairs for the Ohio Township Association. On behalf of Ohio's 1,308 townships, thank you for the opportunity to provide written opposition testimony on HB 28, which eliminates replacement levies.

The 1,308 townships in Ohio represent approximately 35% of Ohioans. Townships provide essential services, including fire, emergency medical services, police, road maintenance, zoning, cemetery management, and parks.

Outside of the property tax, townships have very limited funding sources. Township services, such as fire, EMS, and cemeteries, are funded almost exclusively by the property tax. The Ohio Constitution allows for up to 10 inside mills equal to 1% of true value. Those ten mills are shared between local government entities and schools. Out of the ten mills, on average, townships receive between 1.5 – 2.5 mills, the least amount of any jurisdiction.

Due to the lack of additional revenue sources, townships must seek property tax levy approval to offer and maintain essential services. Currently, townships have three different types of levies. The OTA would like to clarify the three different types of levies a township may use.

A renewal levy extends the term of an expiring, existing levy. A renewal considers the original property valuations at the levy's initial passage. Renewal levies also have reduction factors applied to them due to HB 920. For example, an approved 0.5 mill levy would collect 0.44 mills the following year and 0.42 the year after.

A replacement levy extends an expiring, existing levy. However, unlike renewal levies, a replacement allows a township to take advantage of growth and development by considering property valuation. In other words, it brings the millage effective rate back up to the initially passed millage prior to it being subjected to HB 920 reduction factors. It should be noted that some townships place replacement levies on the ballot to decrease millage collected, rather than waiting for the levy to run out.

Regardless of the levy type placed before voters, current law requires specific ballot language to educate voters. Most recent legislative changes (HB 140, 134th GA) require increased communication efforts by the township and other local governments to inform voters about the necessity of a proposed levy and the impact on their tax bills.

Unlike other local governments, townships residents must vote on any tax increase making the township directly accountable to its residents. If residents want a service, they vote for a levy. If they do not, they vote against it.

Furthermore, replacement levies allow townships to reflect current property values which helps fund essential services that continue to rise in cost year after year. Removing a tool from the township's toolbox can make it more difficult to provide the essential services residents deserve and expect.

Thank you for considering our position. If you have any questions or concerns about our position, please do not hesitate to contact me or OTA Executive Director Heidi M. Fought at 614-863-0045.

Sincerely,

Kyle A. Brooks
Director of Governmental Affairs