



Week of Feb. 27, 2023

House Bill 1 receives first hearing

Rep. **Adam Mathews** on Tuesday provided sponsor testimony on [House Bill \(HB\) 1](#) before the House Ways and Means Committee. In an unusually brief testimony for a bill that proposes such sweeping tax measures, the freshman Republican from Lebanon outlined his four goals of the bill: establish a flat income tax rate of 2.75%, “disentangle” income and property taxes, “protect homeowners both now and in the future,” and “ensure our local communities receive the quality services they expect.” Mathews announced that his bill is a work in progress, and that he intends to make substantive changes to it, at which point it will be rolled into the House’s version of the biennial budget bill, HB 33. As Republicans lauded the proposal’s effort to enhance the state’s economic competitiveness, Democrats panned the measure, questioning the economic theory of a flat tax and the logic of shifting the tax burden to local communities. [Click here to watch the testimony.](#)

Key revelations from Mathews’ testimony include the following:

- On unvoted tax increases resulting from HB 1: “(Not inducing a property tax increase) is the intent. The interaction with 920 is complicating somewhat, and as we work through to the final version of the bill, that is the goal.”
- On whether the rollback reimbursement payments should be eliminated for schools and local governments, “We want these taxing entities to be independent, to be able to stand on their own for those capacities.”
- On HB 920 reduction factors: “As we said, we do not want to have any of our property tax owners feel that property tax increase. At the same time, 920 is constitutionally required. And this would be analogous to 2007 to 2009, where property values dropped, and here we would be through the reappraisal process, effectively dropping the property values by 10%. So, 920, we believe, would trigger... But we still believe that 920 would affect as written in, and we are working through that to, again, get both of those goals to fairly pay our local taxing entities as well as not raising property taxes.”
- On the potential for a fiscal cliff: “That would be the goal and the intent would be to help them transition out because it would be unfair that they've budgeted this. They ran for their elections, they put out their levies based on the system that's been in place for 40 years. And to help them transition out, we do we have no intent to kick the stools out from under them right. All at once on a vote in June.”

Will and Tony have been making the rounds with House lawmakers and staying in close contact with local government partners. Members are encouraged to meet with their House lawmakers on the bill. A second hearing on HB 1, which features proponent testimony only, is scheduled for Tuesday, March 7 at 2:30 p.m. in the House Ways and Means Committee.

Senate passes ODE restructuring bill (SB 1)

After several modifications to [Senate Bill \(SB\) 1](#) and passage by the Senate Education Committee, the Ohio Senate passed the bill on a party-line vote of 26-7. Meanwhile, the House Primary and Secondary Education Committee amended the House companion to SB 1 – [House Bill \(HB\) 12](#) – with several of the amendments now contained in SB 1. A third hearing on HB 12 for proponent testimony will take place on Tuesday, March 7 at 4:00 p.m. in the House Primary and Secondary Education Committee.

Backpack Bill receives first hearing; ODE testifies in subcommittee

The oft-discussed Backpack Bill made its debut in a House committee hearing this week as joint sponsors Reps. **Riordan McClain** and **Marilyn John** pled their case to establish a universal voucher program in Ohio. Contained in [House Bill 11](#), the Backpack Bill would provide a voucher worth up to \$5,500 for K-8 students and \$7,500 for high school students to use on private school tuition or subsidies for educational goods and services, including tutoring services, after-school programming, textbook fees, among others. [Click here to watch the hearing.](#)

Meanwhile, Interim Superintendent of Public Instruction Stephanie K. Siddens testified on [House Bill 33](#), the biennial budget bill, before the House Finance Subcommittee on Primary and Secondary Education. [Click here to watch that hearing.](#)

Heard around the Statehouse

“I have a lot of trust in the committee process, as well as working with our community members and interested parties so that we can achieve the best policy, which may not look like what is right in front of you today.” - Rep. **Adam Mathews**, commenting on the work-in-progress status of House Bill 1.

“So, there's a certain amount of monies that have to be generated here, and you're making it say, oh, no, the taxpayers won't pay as much because this valuation is going down from 35 to 31.5 percent. There's some phantom revenue situations taking place here.” - Rep. **Dan Troy**, questioning sponsor Rep. **Adam Mathews** on the impact of House Bill 920 on House Bill 1.