



Week of March 6, 2023

House Bill 1 cost impact published

The nonpartisan Legislative Service Commission (LSC) on Monday published a financial analysis of [House Bill 1](#) and its impact on the state budget, local governments, and property owners. [Accessible here](#), the analysis reveals the following impacts from HB 1:

- \$2.6 billion in lost state revenue in the first year due to establishing a 2.75% flat tax. This loss decreases to \$1.9 billion in the second year but increases in subsequent years. These direct losses will be partially offset by the elimination of the annual \$1.3 billion property tax rollback reimbursement payments currently paid by the state.
- \$929 million automatic tax increase on residential and agricultural property owners (Class I property);
- \$537 million in lost revenue for schools and local governments due to the 10% reduction in the assessment rate (35% to 31.5%). \$298 million of that loss is attributable to schools (55.5%) and \$239 million to local governments (44.5%).
- \$157 million cut in property taxes owed for commercial and industrial properties (Class II property). This amount is included in the total \$537 million cut for schools and local governments.
- an indeterminate impact on school payments from the school-funding formula, though LSC reports that the reduced assessment rate would generally increase districts' state aid depending on future valuations and the parameters of future funding formulas.

HB 1 testimony continues, opponent hearing scheduled for Tuesday

The House Ways and Means Committee on Tuesday held proponent testimony on HB 1, which featured support from Americans for Tax Reform, Americans for Prosperity, the mayor of Lebanon, the Ross County Auditor, and the Ohio Manufactured Homes Association. Notably absent from the hearing were influential business groups, including the Ohio Chamber of Commerce, National Federation of Independent Business, Ohio Business Roundtable, Ohio Realtors Association, and others.

A fourth hearing on HB 1, featuring opponent testimony and a presentation from LSC on property tax reduction factors, will occur Tuesday, March 14 at 2:30 p.m. Contact Will if you need assistance with testimony.

\$1.13 billion price tag for Backpack Bill, state analysis reveals

A fiscal analysis of [House Bill 11](#), the Backpack Bill, revealed state expenditures on the universal voucher program could total \$1.13 billion annually, simply to provide vouchers to existing private school students, homeschool students, and nonchartered nonpublic school students.

[Click here](#) to read the fiscal analysis.

Senate passes two bills

The Ohio Senate on Wednesday passed [Senate Bill \(SB\) 17](#) by a vote of 31-1. Sponsored by Sen. **Steve Wilson**, the bill requires the State Board of Education to incorporate academic concepts of free market capitalism into the standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12.

The Senate also passed [SB 30](#) by a vote of 25-7. Sponsored by Sen. **Tim Schaffer**, the bill permits 14- and 15-year-olds to be employed between 7 p.m. and 9 p.m. at any time of the year – instead of the summer only, under current law – provided they have parental consent.

House committees hear testimony on parental rights, ODE restructuring, same-sex sports

The House Primary and Secondary Education Committee held a third hearing on [House Bill \(HB\) 12](#), the House companion to Senate Bill 1, which restructures the state education agency and State Board of Education. The committee also accepted two amendments, one that established qualifications for the deputy directors and the other that updated outdated statutes as a result of lame-duck legislation.

Meanwhile, Reps. **Sara Carruthers** and **DJ Swearingen** provided sponsor testimony on [House Bill 8](#), a priority bill for the House Republican Caucus. Titled the “Parents’ Bill of Rights,” the bill prohibits school employees from encouraging a student to withhold from a parent information concerning the student’s health or well-being; requires schools to create healthcare plan for every student; and requires schools to notify parents about sexually explicit instructional materials, among other provisions.

Finally, Rep. **Jena Powell** provided sponsor testimony on [HB 6](#), which requires schools, colleges, and universities to designate separate single-sex sports teams and prohibits males from participating on female teams, among other provisions.

Heard around the Statehouse

“Not every kid in the state of Ohio is going to take a voucher. How do I know that? The Cleveland voucher program has been around almost 30 years and about 18 percent, maybe 20 percent of the kids take it. This is the perfect test module. You can’t open enroll anywhere. You’ve got schools that are not ranked very high. Many of the children are Title I children in terms of income. If you suddenly made vouchers available to every kid in Upper Arlington or Coldwater in Mercer County, which graduates 100 percent of their kids all the time, what percentage of those kids are going to take it? Five percent? Two percent? Not very many.” - Senate President **Matt Huffman** discussing the participation rate of private school voucher programs amid LSC’s publishing the Backpack Bill’s fiscal analysis.