

Save our Seniors (State)

Current State of Out of Control
Property Taxation
September 2024

Out of Control Property Taxation 2024

- Many Seniors Own Their Homes
 - Twice a year they receive a property tax bill
 - Most seniors are living on a limited income
 - Property Tax becomes a burdensome expense to seniors who are unable to afford to stay in their homes
 - Sadly many are forced to sell their homes
 - Many seniors then must seek public housing and welfare assistance
 - » Such Costs are borne by local and state agencies

Out of Control Property Taxation 2024

- Renters unknowingly bear the brunt of property taxation but are unaware of the cost
 - Landlords pass on the cost of property tax increases to renters in the form of increased rent
 - Increased rent may force out renters who are unable to afford rent increases
 - Renters then must seek public housing and welfare assistance
 - » Such Costs are borne by local and state agencies
 - Or they become homeless

Out of Control Property Taxation 2024

- First time home buyers may be able to afford to purchase a home but property taxes may put that purchase out reach for the first time home buyer
 - First time home buyers will move to other states where homes are more affordable
 - As these buyers move to other states they take their incomes and purchasing powers with them.
 - Net loss for the state of population, income, skill sets
 - New York is an example of the downward spiral effect caused by excessive taxation

Out of Control Property Taxation 2024

- If seniors are forced to sell their homes, renters can't afford their rent and new home buyers can't afford to purchase a home – who is buying homes?
- Hedge funds, corporations, speculators, slum lords become the main purchasers of homes
 - Resulting in;
 - Increased rents
 - Artificially inflated housing prices
 - Deteriorating neighborhoods
 - Shrinking tax base
 - No commitment to the community

Out of Control Property Taxation 2024

- Commercial Real Estate / Businesses
 - Property Tax increases are past on to consumers in the form of increased cost of goods and services
 - Consumers may seek other businesses where goods and services are more affordable
 - Or stop making purchases
 - Businesses may be forced out of business if customers stop purchasing their products
 - Creates loss of revenue to the state

Out of Control Property Taxation 2024

- Solution / Constitutional Amendment
 - Cap Property taxes
 - 1% of assessed value from prior valuation year (2020)
 - Restricts annual tax increase to no more than 1% annually until the property is sold.
 - Allow for transfer of primary residence between a parent and child without reassessing the tax base of the home
 - All state tax increases must be approved by two-thirds majority vote of both houses of the state legislature
 - Special taxes levied by local governments must be approved by two-thirds of voters

Out of Control Property Taxation 2024

- Solution / Constitutional Amendment
 - The assessed value is also subject to reduction if the market value of the property declines below its assessed value
 - This would be an (ad valorem tax) tax assessed generally increases and decreases with the value of the property
 - No state unfunded mandates
 - Require two-third vote to rescind this constitutional amendment

Out of Control Property Taxation 2024

- Solution / Constitutional Amendment – continued
 - This change in property taxation will protect homeowners and businesses from inflationary market fluctuations in assessed values
 - This change would prohibit reassessment of a new base year value except in cases of new construction and change of ownership, or an addition occurs to the structure
 - This applies to residential and commercial real estate whether owned by individuals or corporations

Out of Control Property Taxation 2024

- Benefits
 - This amendment will preserve neighborhoods and provide continuity / stability for those communities
 - Create a uniform state wide method of property taxation (may resolve Ohio Supreme Court ruling)
 - Provide purchase opportunities for first time home buyers
 - Stabilize out of control rent increases
 - Businesses would be more competitive