CITIZEN POLICY PROPOSAL

Ohio Homeownership and Local Services Reform

A responsible framework to replace value-based real-property taxation with transparent service funding, disciplined school modernization and protected homeownership

Submitted by	[redacted], Chardon, Ohio
Submitted to	Members of the Ohio General Assembly and statewide policymakers
Date	August 29, 2026
Requested action	Commission an LSC-led fiscal model and introduce a phased study/pilot bill

Executive summary

Ohio homeowners should not face an unlimited, recurring charge based on an assessor's estimate of what their property might sell for. A family can pay off its mortgage, improve its own home and remain exposed to rising taxes unrelated to household income or direct service use. At the same time, schools, fire protection, roads, public safety and human services require dependable funding. Ohio should therefore replace—not simply erase—the current system through a measured transition.

Core recommendation: End recurring ad valorem taxation of owner-occupied real property after a structured transition. Replace it with a closing-time transfer assessment, transparent local service charges, statewide school funding reform, regional efficiency planning and temporary debt charges that expire when existing bonds are retired.

Immediate legislative request

1. Direct the Ohio Legislative Service Commission and relevant state agencies to model this framework statewide and by county.
2. Create several voluntary county pilot programs representing rural, suburban and urban Ohio.
3. Develop constitutional and statutory language only after fiscal modeling establishes sustainable rates and transition protections.

1. The problem Ohio should solve

The current debate often presents a false choice: tolerate recurring value-based property taxes indefinitely, or abolish them immediately without a replacement. Ohio can pursue a third course—protect homeownership while preserving essential local services through clear, limited and auditable funding mechanisms.

Why the current system has lost public confidence

- Tax liability may rise because neighboring properties sold at higher prices, even when the owner's income did not increase.
- Improvements paid for by the homeowner can increase the assessed value and therefore the recurring tax burden.
- A paid-off home remains subject to tax foreclosure, undermining the common understanding of complete ownership.
- Millage, rollback calculations, reappraisals and overlapping levies make the final bill difficult for ordinary residents to audit.
- The system can finance duplicated facilities and administration without requiring a countywide review of capacity and efficiency.

The size of the transition

This proposal recognizes the scale of the obligation. The Ohio Legislative Service Commission estimated approximately $21.41 billion in real-property taxes for tax year 2024. School districts represented about $13.61 billion, or 63.6 percent, while counties, townships, municipalities and special districts received the balance. Any serious reform must address both revenue replacement and spending structure.

Source: Ohio Legislative Service Commission, analysis of the proposed Abolishment of Taxes on Real Property amendment, Sept. 16, 2025.

Guiding principles

- No homeowner should pay more merely because an assessor believes the home's market value increased.
- Essential services must receive dependable funding during and after the transition.
- Every recurring charge should identify the service, calculation, amount, approving authority and review date.
- Existing bond obligations must be honored, then the related charge must expire automatically.
- Efficiency reform must accompany revenue reform, especially where facilities and administration are duplicated.
- Hardship protections must cover low-income households, seniors, disabled residents and qualifying veterans.

2. Proposed replacement framework

A. Closing-time real-estate transfer assessment

At each taxable real-estate transfer, Ohio would impose a one-time assessment tied initially to the combined state-and-county sales-tax rate or another rate established through fiscal modeling. The obligation would be disclosed at closing and collected alongside the mortgage payment, but it would not become part of the lender's interest-bearing principal.

- The state or county records a separate, zero-interest public assessment.
- The buyer may pay it at closing or amortize it interest-free over a defined period, such as 20 or 30 years.
- Any unpaid balance becomes due upon the next sale, refinancing cash-out above a statutory threshold, or other defined transfer.
- Owner-occupants receive a protected rate; short-term flips, second homes and large institutional acquisitions may carry higher rates.
- Transfers between spouses, qualifying trusts, estates and closely held family succession arrangements receive carefully drafted exemptions or deferrals.

Important fiscal limitation: A transfer assessment at ordinary sales-tax rates cannot, by itself, replace all current property-tax revenue. It should be one component of the replacement structure, with final rates established only after LSC modeling.

B. Transparent local service assessments

Recurring local charges would be based on service readiness, reasonable cost drivers and voter-authorized service levels—not appraised market value. The precise formula should be locally calibrated within statewide fairness rules.

Service	Proposed funding basis
Fire protection	Base readiness charge + building square footage + risk classification; hardship protection and agricultural treatment.
Roads and bridges	Base parcel-access charge + moderated frontage/use component, with caps so rural acreage is not punished solely for long frontage.
Police and 911	Transparent household and business readiness charge; no denial of emergency service for nonpayment.
EMS	Readiness charge, with transport and reimbursable treatment billed separately where appropriate.

Human services	Countywide charge supporting developmental disabilities, senior services, children's services, behavioral health, addiction recovery and public health.
Libraries and parks	Small, separately stated countywide charges subject to voter review and public performance reporting.
General local government	County or municipal revenue, including existing income/sales taxes and a limited resident/business service charge where necessary.

C. Collection and homeowner protection

- Emergency response is never denied because an account is delinquent.
- Charges may be billed monthly, quarterly or annually through a consolidated statement.
- Delinquent balances receive due process and reasonable payment plans; enforcement rules should protect owner-occupied homes from disproportionate loss.
- Owners receive one statement showing every service charge, change from the prior year and legal authority for the charge.

3. School funding and structural efficiency

Schools are the central fiscal issue because they receive nearly two-thirds of Ohio real-property-tax revenue. The answer cannot be merely replacing one tax with another while preserving every historical layer of cost. Ohio should define an adequate statewide instructional standard, fund that standard reliably and require regional review of expensive duplication.

A. Statewide foundation funding

- Fund a defined core education standard through statewide revenue distributed by student need and legitimate cost differences.
- Protect special education, transportation, career training and services required by law.
- Separate essential instruction from locally desired premium capital projects and enhancements.
- Require transparent per-pupil reporting for instruction, administration, transportation, facilities and extracurricular operations.

B. Rural regionalization—not indiscriminate campus closure

The proposal does not call for placing every child in a single county building. Population, geography, road conditions, enrollment projections and maximum bus times should determine the proper number and placement of campuses. Neighborhood elementary schools may remain where proximity benefits younger children, while costly secondary and specialized facilities are consolidated when justified.

- Two or three regional secondary campuses where the countywide study supports them.
- Two or three major stadium and athletic complexes rather than numerous lightly used duplicates.
- Shared vocational, science, performing-arts, swimming and specialized-service facilities.
- Regional administration, purchasing, technology, transportation and facilities management.
- Representation safeguards so less-populated areas retain a meaningful voice.

Decision rule: Keep services local when proximity materially benefits students; regionalize expensive assets and administrative functions when duplication provides little educational value.

C. Capital-project discipline

Premium facilities—including elaborate stadiums, oversized common areas and aesthetic upgrades beyond the statewide standard—should appear as separate, plainly worded ballot questions. Voters should see the total project cost, debt term, annual household charge, utilization forecast and less-expensive alternatives.

4. Transition, safeguards and accountability

A. Phased transition

Year 1: Independent modeling. LSC, the Department of Taxation, OBM and local-government representatives model revenues, service costs, legal constraints and county variation.

Years 2–3: Voluntary pilots. Selected counties test consolidated service statements, zero-interest transfer assessments and regional efficiency reviews while existing property taxes remain credited.

Years 3–5: Gradual conversion. Owner-occupied property taxes decline as verified replacement revenue begins. No local service loses funding solely because implementation timing slips.

Years 5–7: Full implementation. Value-based taxation of qualifying owner-occupied real property ends, subject to constitutional approval and demonstrated fiscal sufficiency.

B. Existing debt

Voter-approved and contractually valid bond obligations must be paid. A temporary debt-retirement charge should be stated separately for each obligation, prohibited from financing new spending and automatically eliminated when the debt is retired. No permanent replacement charge should hide inside an expiring bond assessment.

C. Constitutional and statutory guardrails

- No recurring owner-occupied charge may be calculated from appraised market value.
- New service categories or increases beyond an inflation/population formula require voter approval.
- Every charge must state its purpose, formula, annual amount and review or expiration date.
- Dedicated revenue may not be diverted without equivalent public approval.
- Annual independent audits and searchable public dashboards are mandatory.
- Agricultural, nonprofit, rental, commercial and industrial property receive separately modeled treatment to avoid unintended shifts.
- Homeowner credits recognize prior payments during the transition and prevent double charging.

D. Questions the fiscal study must answer

- What transfer-assessment rates produce sustainable revenue without materially suppressing mobility or homeownership?

- What minimum statewide school funding is required, and what savings are reasonably available through regionalization?
- How should service charges account for apartments, businesses, agricultural acreage and tax-exempt property?
- How can zero-interest assessments be financed so local agencies receive current revenue while households pay over time?
- What protections prevent service charges from multiplying into a disguised replacement property tax?

5. Proposed legislative action

I respectfully ask the recipient to consider sponsoring or requesting a bipartisan study bill titled the Ohio Homeownership and Local Services Reform Commission Act. The commission should include legislators, county and township officials, school-finance experts, fire/EMS representatives, human-services boards, homeowners, farmers, business owners and independent public-finance professionals.

Required commission deliverables

- A county-by-county fiscal model comparing current property-tax collections with each replacement component.
- Prototype homeowner and business service statements showing real dollar impacts.
- A rural school-facilities and administration efficiency framework based on population, geography and transportation time.
- Draft consumer protections for the zero-interest transfer assessment.
- A transition plan for existing levies, inside millage, fixed-sum levies and bonded debt.
- Constitutional language and implementing legislation only after public release and review of the fiscal model.

Conclusion

Ohioans are not asking to abandon schools, firefighters, roads, people with disabilities, seniors or public safety. They are asking for a system that does not treat rising paper value as recurring income and does not make permanent homeownership conditional on an assessor's changing opinion. Ohio can protect essential services while replacing opaque value-based taxation with transparent charges, disciplined spending and accountable regional planning.

This proposal is intended as a framework for professional fiscal and legal development. Its purpose is to begin that work with a concrete replacement structure rather than asking voters to abolish the current system first and design the replacement afterward.

Selected public sources

Ohio Legislative Service Commission. Analysis of the proposed constitutional amendment, Abolishment of Taxes on Real Property (Sept. 16, 2025). https://www.ohiohouse.gov/assets/press-releases/138107/files/32363.pdf

Ohio Attorney General. Certified initiative petition, Abolishment of Taxes on Real Property. https://www.ohioattorneygeneral.gov/getattachment/2ef303cd-b914-4290-83b0-6cec25193caf/Abolishment-of-Taxes-on-Real-Property.aspx

Ohio Department of Taxation. Property Tax Resource Hub. https://tax.ohio.gov/individual/property-tax

Geauga County Auditor. Tax Information and local levy resources. https://auditor.geauga.oh.gov/tax-info/

City of Chardon. Property Tax and funded municipal services. https://www.cityofchardon.gov/492/Property-Tax

Ohio Housing Finance Agency. FY 2026 Ohio Housing Needs Assessment executive summary. https://ohiohome.org/hna-25/executivesummary.html

Suggested cover message

Representative [Name],

I am an Ohio homeowner, parent and small-business owner in Chardon. I support meaningful property-tax reform, but I do not believe Ohio should eliminate more than $20 billion in local revenue without first building a responsible replacement. I developed the attached framework to replace value-based property taxation through a phased combination of a closing-time transfer assessment, transparent service charges, school-funding reform and regional efficiency planning.

The proposal does not assume that every community should have the same number of schools or facilities. It asks Ohio to base those decisions on population, geography, enrollment and transportation time—and to stop duplicating expensive facilities when regional alternatives would provide equal or better service.

I am asking you to consider requesting an LSC fiscal analysis and supporting a bipartisan study or pilot bill. I would appreciate the opportunity to discuss the concept and hear where you believe it requires further development.

Respectfully,
[redacted]
Chardon, Ohio