

State Representative Richard Dell'Aquila

Ohio House District 15

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Committees:

- *Financial Institutions (Ranking Member)*
- *Aviation and Aerospace*
- *Commerce and Labor*
- *Economic and Workforce Development*
- *Ways and Means*

Dear Neighbor,

The 135th General Assembly and budget season are well underway at the state capital. I wanted to share updates from the work that I have been doing, as well as updates from across our great state.

The East Palestine derailment, as you all may know by now, has undergone an ongoing process to mitigate the environmental damage and to assist our fellow Ohioans in need. I had the opportunity to visit the site itself and will detail more updates in this month's newsletter. Attached are photos of the site visit, including new legislation that has been included in the House version of the Transportation Budget to address the safety and security insufficiencies that the events in East Palestine have brought to light.

Additionally, our House Committees have picked up pace. We are starting to see transformative and impactful policies go through the committee process—legislation that we should all be paying attention to. Included is a summary of House Bill 1, a tax revision that can have massive implications for local governments' ability to pay for resident services without raising taxes to make up for HB1 state funding cuts.

Lastly, I have included useful information for constituents that use SNAP benefits or are looking to receive an updated property tax valuation but don't know where to start.

Please do not hesitate to contact my office with any questions, comments, or concerns.

Sincerely,

Richard Dell'Aquila

State Representative Richard Dell'Aquila

Legislative Updates: East Palestine

HB 23—The Transportation Budget

I am pleased to have co-sponsored and vote for HB23, the Transportation Budget, which was passed by the House of Representatives on March 1st and now moves on to the Senate. HB 23 would provide total funding of \$12.6 billion in FY 2024 and 2025 to address many important transportation related issues in Ohio. The full text of the bill is available by [clicking here](#).

Last month, I and several House Democratic members sent a letter to the Ohio House Finance Committee and the Ohio House Transportation Subcommittee of Finance, suggesting a series of railroad safety amendments to the State Transportation Budget. Having visited the site along with Speaker Stephens, Minority Leader Russo, and several House members of both parties, it was obvious that additional safety measures are badly needed.

Generally, federal law preempts state law in the area of railroad regulation. However, the states are permitted to legislate where the federal government has not done so; and that's exactly what HB 23 does. While state and federal authorities are currently working on the consequences of the East Palestine disaster, it is crucial to prioritize the long-term health and well-being of Ohioans. The transport of hazardous chemicals is an inherently hazardous activity, requiring the utmost vigilance and care for the protection of the public and the environment. This includes



the proper maintenance of equipment and infrastructure.

This is why it was so important to strengthen Ohio's railroad safety regulations. Here are a few of the new requirements under HB 23:

- Wayside Detectors -PUCO and ODOT will be required to work with each railroad company doing business in Ohio to ensure that the wayside detector systems used by those companies are operational, effective, and current. The bill specifies the criteria that PUCO, ODOT, and the company must consider while doing so.
- Requires immediate notification of a defect to the operator under certain circumstances.
- Requires PUCO and ODOT to investigate the safety practices of any railroad that does not work with them in good faith, and to issue a report to the Federal Railroad Administration recommending enforcement action against a company if the results of their investigation shows that it is not in compliance with federal safety standards.
- Two-Person Crew – Will require a freight train or light engine to have at least a two-person crew, and permits PUCO to assess a civil penalty against a person who violates this requirement.

Within 90 days after becoming law, HB 23 would also require PUCO and the Ohio EPA file a written report to the General Assembly regarding the transportation of hazardous materials and waste. That report must contain current applicable state

and federal laws, recommendations for improving Ohio's safety requirements for hazardous material and waste transportation, and recommendations about civil and criminal penalties for violating said requirements.



Legislative Updates (Continued)

HB 1, Proposed Changes to Taxation

The House Ways & Means Committee has been taking proponent testimony on House Bill 1. As currently proposed, HB 1 would:

Establish a flat personal income tax rate of 2.75% plus \$360.69 for income above \$26,050. Income below \$26,050 is not taxed. 89% of the tax savings will go to 20% of the highest taxpayers.

The proposed income tax cut would provide the following **minimal** estimated reductions:

- 0.54% cut for incomes above \$26,050 up to \$46,100;
- 14.76% cut for incomes above \$46,100 up to \$92,150;
- 25.43% cut for incomes above \$92,150 up to \$115,300;
- 31% cut for incomes above \$115,300.

| Impact of HB 1 | | | | | | | |
|-------------------------------------|------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|--------------|
| ITEP estimates of the bill's impact | | | | | | | |
| | Bottom 20% | Second 20% | Middle 20% | Fourth 20% | Next 15% | Next 4% | Richest 1% |
| Income Range | < \$23,000 | \$23,000 - \$47,000 | \$47,000 - \$75,000 | \$75,000 - \$124,000 | \$124,000 - \$244,000 | \$244,000 - \$617,000 | > \$617,000 |
| Average Income in Group | \$ 12,000 | \$ 34,000 | \$ 61,000 | \$ 97,000 | \$ 159,000 | \$ 347,000 | \$ 1,534,000 |
| Tax Change as a % of Income | 0% | 0% | -0.04% | -0.16% | -0.4% | -0.57% | -0.73% |
| Average Tax Change | \$0 | -\$1 | -\$24 | -\$155 | -\$628 | -\$1,974 | -\$11,166 |

Additionally, HB 1 would do the following:

- Repeal the existing 10% state-funded rollback on local renewal levies.
- Change the existing 2.5% owner-occupied state-funded rollback on levies to a flat \$125 exemption of real property taxes on homesteads.
- Increase the amount of the homestead property tax exemption to \$50,000 for homeowners who meet current qualifications and have lived in the home for 20 or more years.
- Authorize the Tax Commissioner to extend any county's property tax reappraisal or triennial update period by one year starting in tax year 2024 through 2029.
- Decrease from 35% to 31.5% the percentage of real property's value that is subject to taxation.
- Index this new 31.5% rate so that it decreases in proportion to the increase in inflation.
- Establish an enhanced homestead exemption for certain long-term homeowners who qualify for the general homestead exemption.
- Index for all homestead exemptions the amount of the exemption so that the exemption, and resulting tax savings, increases in proportion to the increase in inflation.

There are some positive aspects to HB 1, but also many unanswered questions, including that the legislation could be highly damaging to local governments and as burdensome as the state cuts of the Local Government Fund that caused so many problems at the local level. For example, HB 1's repeal of the 10% rollback and the change to the 2.5% rollback alone will cost Ohio schools and local governments approximately \$1.2 billion per fiscal year, with a potential \$2.2 billion hole in Ohio's budget.

The reality is that at some point in the future, local governments would be forced to cut resident services or ask voters to raise local taxes to make up for HB 1 losses. This tax and cost shifting will cause exactly the same turmoil and other problems the state created for local governments when it cut the Local Government Fund a few years ago. This is the same Hobson's choice we faced when I was mayor and LGF's cuts left us in exceedingly difficult financial years with many other communities. Apart from failing to address the unconstitutional way Ohio funds its public schools, the Ways & Means proponent testimony offers no specific answers for the negative impact on local government finances while also admitting that HB1 will force local governments to either pick up the difference or cut services to residents.

Local voters are Ohio voters, and we should be careful not to divide local communities from each other. HB 1 proponents say it is urgent to keep Ohio competitive by passing HB1. Even if true, HB 1 will have the opposite effect for many communities, making them less competitive, and defund local services and amenities. These losses will pit communities against each other, and more affluent communities will be able to maintain services while less affluent communities will struggle to retain business investment and support their residents. Clearly, as one proponent agreed, "a lot more things need to be worked out" with House Bill 1.



SNAP Benefits—Important Information

Beginning this month, extra SNAP payments that began from the federal government during the pandemic will be expiring, meaning that those receiving benefits will only receive the amount of their first benefit going forward.

Benefit amount or balance information can be found at www.ConnectEBT.com or at 1-866-386-3071. Additionally, recipients can go to www.benefits.ohio.gov to report changes to their address, income, or to talk to a SNAP outreach specialist.

Please visit www.ohiofoodbanks.org to connect with free groceries, meals, and assistance nearby.



Affordable Housing and Tax Valuation Information

When housing costs are too high, families struggle to afford other necessities such as food, medicine, healthcare, child care, transportation, and education. HUD defines affordable housing as total rent and utilities costs at or below 30% of household income. According to the Coalition on Homelessness and Housing in Ohio, 25% of Ohio's 1.56 million renter households spend over half of their income on rent and utilities, and another 20% spend over 30%. For these lower income households, truly affordable housing may require subsidies. It is encouraging that the DeWine administration is looking at the need for more affordable housing.

For more information, visit: www.cohhio.org.

As the state works on possible property tax adjustments it is important to know that there is a way to complain about your 2022 real property valuation if you believe it is too high.

You have the right to file a valuation complaint with the Cuyahoga County Board of Revision through March 31, 2023. This can be done online at <https://cuyahogacounty.us/bor>. The county offers an online step-by-step guide on how to do this.

You can also print the complaint form online and file in paper form. Hearings are held either in-person, virtually and by phone. If you need more help, the Board of Revision phone number is (216) 443-7195. I hope this information is helpful to you.