Good morning, Co-Chair Roemer, Co-Chair Blessing, and members of the Joint Property Tax Review and Reform Committee. Thank you for the opportunity to present testimony on behalf of Ohio’s public libraries.

My name is Michelle Francis, and I am the Executive Director of the Ohio Library Council. The Ohio Library Council is the statewide association representing Ohio’s 251 public library systems (rural, urban, and suburban) and the 7.7 million library cardholders they serve.

Local funding generated through property tax levies is extremely important because it remains a primary source of revenue for Ohio’s public libraries. Statewide, 49% of the total funding for libraries comes from property tax levies. The other 51% is provided by the state and is generated through the Public Library Fund (PLF).

As a reminder, our libraries are independent, separate political subdivisions, similar to our local government partners, but we do not have the taxing authority to implement a local sales tax or income tax. Also, unlike counties, cities and school districts, public libraries do not receive casino revenue. Therefore, our reliance on property taxes and the PLF is critical to maintaining Ohio’s public library systems.

It is also worth noting that public library property tax levies come from “voted” millage. Libraries do not receive “unvoted” or inside millage that is not subject to property tax reduction factors. Therefore, our members do not see or experience that inflationary growth from reappraisal that has been discussed in this committee. For the most part, library levy options include renewing an existing levy, replacing an existing levy, or seeking a new or “additional” levy.

In addition, 80% of Ohio’s public library systems (203 of 251) have a local property tax levy while only 48 rely solely on their state funding as their main source of revenue for day-to-day operations. The frequency with which Ohio libraries have placed property tax levies on the ballot has drastically increased over the past 20 years.
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<th>2004 – Public Libraries</th>
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To no surprise, the greatest spike came in 2010 following the Great Recession and cuts in state funding where we saw 71 public library levy issues on the ballot in a single year. Just before the recession hit in 2008, Ohio’s public libraries received $450.6 million in state funding. That would be $645.7 million today if adjusted for inflation. While we appreciate our partnership with the state, the current PLF distribution is nowhere near that amount which forces our members to turn to local voters.

You have already heard from experts, such as Dr. Howard Fleeter, talk about House Bill 920 and Ohio’s property tax reduction factors which passed in 1976 and were later codified in Ohio’s constitution in 1980. HB 920 is the most restrictive property tax limitation in the country because it does not allow for any inflationary growth on voted millage. Due to this property tax reduction factor, Ohio’s libraries are forced to place additional property tax levies on the ballot to keep up with inflation and the demand for library services.

Historically, library levy passage rates have been very high. Since 1980, library levies placed on the ballot have seen a favorable passage rate of nearly 81%. Of those levies placed on the ballot since 1980, renewal levies passed more than 97% of the time, replacement levies passed more than 88% of the time, while new levies pass roughly 2/3rd of the time. In addition, more than half of the unsuccessful library levy proposals (118 of 222) came within 5% of passing.

Based on state and national data, we know that Ohio’s public libraries are extremely popular and in high demand with the highest usage per capita in the nation. Libraries are open to all and a resource that Ohio’s citizens increasingly turn to for vital services. Our success is dependent on the strong partnership between the State and local library systems. Further limitations in funding, both at the state and local level, would be devastating to many of our communities where the public library is seen as and serves as the community hub.

In conclusion, our reliance on local property tax levies is critical for two reasons: (1) the reduction in state funding over the years with no adjustment for inflation, and (2) no inflationary growth on local property tax levies. While the committee studies possible changes to our property tax system, we encourage you to consider the impact these changes will have on local governments and more importantly, libraries. Thank you for the opportunity to testify today and I will be more than happy to answer any questions.