

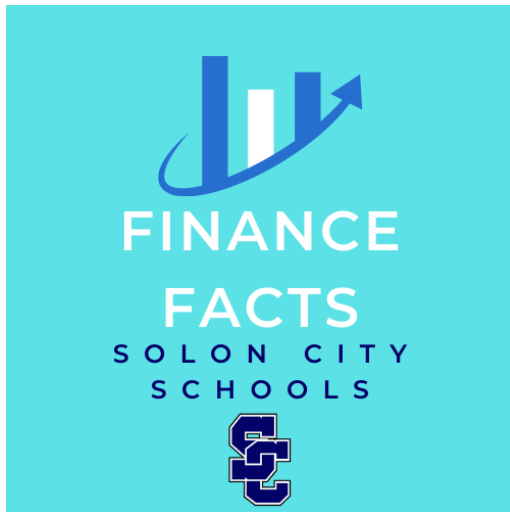
Know Your Schools ... Online

Good News You Can Use about the Solon Schools.

Friday, March 24, 2023

Know Your Schools ... Online is part of the district's [Strategic Plan](#) goals for communications. It is a monthly publication providing more immediate, consistent and relevant information to all families, staff and our Solon Schools community.

FINANCE FACTS: DISTRICT FACES STEEP LOSSES UNDER PENDING STATE LEGISLATION



Although it is still early in the process, several bills introduced in the current state legislative session would have a devastating impact on the district's bottom line. The most onerous of these bills is House Bill 1, which in its current form calls for a flat state income tax rate that would result in a \$1.2 billion reduction in state revenues. To recoup that loss in the state's coffers, HB 1 proposes substantial changes to property taxes, such as eliminating the existing "rollback," or credits, the state currently pays for property owners.

The proposed income tax reductions from a flattening of the tax rate would not mute the significant property tax increases businesses and homeowners would face if HB 1 is enacted. As currently drafted, HB 1 would result in an annual direct funding loss of \$1.1 million to the Solon Schools, plus our business and residential taxpayers would face an unvoted property tax increase due to the elimination of the rollback credits. HB 1 would also result in an increased property tax burden of approximately 5 mills for our businesses and homeowners. In real dollars, this change would cost the owner of a \$300,000 home an additional \$525 a year in property taxes. This is a double hit for our community and the schools as taxpayers would face unvoted increases and the district would still lose more than \$1 million a year.

There are significant unintended consequences of this legislation, calling into question whether the bill can advance. The district has been in direct contact with our state lawmakers and to express opposition to the bill as currently written due to the potential financial losses for our schools and the increased property tax implications for our residents and businesses.

We will continue to keep you updated on HB 1 and other pending legislation with serious implications for our district's finances. In the meantime, please read the [HB 1 TALKING POINTS](#) to learn more about how HB 1 would compound previous revenue losses resulting from state tax law changes that our district and community have had to absorb.