CLEVELAND UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

Treasurer's Report
"3 Things"
Bills to Watch
4/7/26

CH-UH Strategic Plan



Goal 5, Objective 3:

Inform and educate all stakeholders regarding District finances and school funding in Ohio.



#1 -HB 261-Homestead Exemption/Budget Commission Changes

- The House Ways and Means Committee accepted a substitute version of HB 261 in committee last week, *significantly changing the bill* from as introduced.
- As introduced, the bill would have increased the standard homestead exemption amount to $50,000. The substitute version instead:
  - increases the income eligibility threshold from $41,000 to $55,000
  - provides for 50% state reimbursement of a locally adopted homestead exemption
  - requires county budget commissions to consider property tax reductions and exemptions when evaluating whether a levy is producing more revenue than necessary
- This is an important shift. Rather than simply increasing the exemption amount statewide, *the substitute version creates a structure that relies in part on the local homestead exemption authority created in the operating budget and includes only partial state reimbursement.*
- HB 261 received its first hearing last week. While proponent testimony would typically be next, no hearing is scheduled.



#2-HB 420 Continuing Levy Sunset

- *HB 420 would eliminate continuing levies* over time by requiring all such levies (not tied to debt service) to expire after Tax Year 2029. The bill also prohibits new continuing levies and requires all levies to be for a defined term.
    - All existing continuing levies would sunset and no longer generate revenue after TY 2029
    - Districts would be required to return to the ballot to renew these levies, and any renewal would need to be for a fixed term
    - Shifts from stable, ongoing revenue ↠ cyclical levy renewals
    - Adds complexity to long-term forecasting and financial planning
- HB 420 received its second hearing last week. While opponent testimony would typically be next, no hearing is scheduled.



#3 -HB 617 Taxes on Capital Gains

- *HB 617 would exempt capital gains* from both state and municipal income taxes.
  - The fiscal impact is significant, with estimated state revenue losses of $615–$680 million annually.
- Importantly: *146 school districts levy a traditional income tax*
  - these districts use modified adjusted gross income, which includes capital gains
  - these districts could see a direct reduction in local revenue
- As with HB 420, the next step would typically be opponent testimony, but no hearing is scheduled.



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Questions

https://www.chuh.org/departments/finance/public-school-funding