



**Mark Jeffreys**  
Councilmember

March 4, 2024

## **MOTION**

### ***Cincinnati Property Tax Relief***

WE MOVE that a task force be created to make short, medium and long-term policy recommendations on how the City can provide relief to residents that are tax burdened by the recent spike in property taxes.

WE FURTHER MOVE that this task force include members from HOME, LISC, the Realtists, Legal Aid, the Urban League, the National Appraiser Bias Task Force, the Greater Cincinnati Northern Kentucky Apartment Association, Community Action Agency, the City of Cincinnati, and the Hamilton County Auditor & Treasurer as well as effected homeowners and other subject matter experts.

WE FURTHER MOVE that the Administration continue to hold the \$50 million in reserves that is being held in the event the Schaad v. Alder case is overturned. These funds should be held until this task force can make recommendations for property tax relief. If Schaad v Alder is overturned, then those reserves should be leveraged for their original intent.

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## **STATEMENT**

The City of Cincinnati has held \$50 million in reserves over the past few years in order to accommodate potential future income tax refund claims that could result from remote work that accelerated during COVID. These reserves have been held while legal challenges as to whether municipalities could still tax residents who work for a company in their jurisdiction but work remotely.

In mid-February 2024, the Ohio Supreme Court ruled 5-2 on *Schaad v. Alder* upholding a temporary state law allowing cities to collect income tax from non-resident individuals working remotely during the COVID-19 pandemic. The implication is that this could “free up” that \$50 million in reserve in the City of Cincinnati for other purposes. That decision could still be appealed so the decision of the Ohio Supreme Court may not be the final word.

While that final decision is pending, the City of Cincinnati has the opportunity to shape a plan for leveraging those dollars for one of the most pressing issues for residents in the city – significant increases in property taxes. In 2023, property taxes in Hamilton County rose 10.4% with some neighborhoods such as East Westwood, Price Hill and others are experiencing a significantly higher percentage increase. This is particularly problematic for seniors who are on fixed income as well as low-income residents many of whom are now at risk of losing their homes.

The property tax increase will also impact renters, who make up 60% of the city, given landlords will likely pass on some if not all of that increase to their tenants. Even though property taxes are set by the State of Ohio in partnership with County Auditors, the City of Cincinnati has the opportunity to provide much-needed relief on the impact of these increases should the Ohio Supreme Court decision be upheld.

The intent is that this is an ad hoc task force that will be formed for only 6 months or less. It will share recommendations back with City Council and the Mayor for further approval.