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Sponsor Testimony on HB 488
House Ways and Means Committee
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Chairman Schaffer and members of the Ways and Means Committee, thank you for allowing us to come before you today and give testimony on HB 488. Our bill seeks to update and improve information conveyed in election notices and ballot language for all forms of property tax levies. These changes are necessary to ensure that Ohioans can more easily understand how a proposed tax levy may affect their property taxes. This bill will improve transparency at the ballot box with respect to property tax levies.

The current ballot language for property tax levies can be very confusing. For example, under current law for a replacement levy, the ballot language gives the mills per each \$1 of valuation, which would amount to so many dollars and cents per \$100 of valuation. Very often, the dollar figure amounts to a fraction of a cent per \$100 of valuation. When looking at the ballot language currently, voters may ask themselves, what does valuation mean? Why is it only measured in \$100 increments when my property is worth more than that? We are seeking to simplify and explain the answers to these questions in the form of improved ballot language and election notices.

Additionally if voters only see a fraction of a cent for the tax, they may not fully comprehend the totality of the tax burden. The current ballot language places the burden on voters to understand how much their home is valued at for tax purposes, and to perform math calculations while in the ballot box, to arrive at the actual amount of the tax. They also would not know, without prior exposure to the issue, whether the proposed tax is an increase or decrease in overall property taxes as compared to the previous tax.

In order to remedy these issues, we have proposed to change the phrase 'taxable value' on ballot language and election notices and replace it with 'fair market value' and the phrase 'for each \$100 of taxable value' to 'for each \$100,000 of fair market value.' By using the phrase, 'fair market value' as opposed to taxable value, a voter will instantly be able to see the amount of tax

on \$100,000 worth of real property. With companies like Zillow, Inc. claiming that median home values in the state are around \$131,000, it only makes sense that property tax levy ballot language should be updated to more accurately reflect the tax on the fair market value of homes.

Generally, most individuals understand how much their property is worth in terms of fair market value, rather than tax valuation. By shifting the property value variable from \$100 to \$100,000 for which the property tax is weighed against, the total amount of the tax will be much closer to the actual property values of Ohioans. Our legislation also requires that in both the title and body of the property tax levy ballot language, it must specify whether the proposed tax levy is an increase or decrease in overall tax, as opposed to the previous tax, if there is one.

We feel that it is our responsibility to our constituents to ensure that all possible property taxes levied in the state are done in a fair and transparent manner, with information located in the election notices and ballot language that is easier to understand.

Thank you again for giving us the ability to speak on HB 488, and we welcome and questions that you may have.