

**House Ways and Means Committee**  
**HB 75 Opposition Testimony**  
**Richard C Smith, Marysville EVSD School Board, VP**  
**April 2, 2019**

Chairman Schaffer, Vice Chairman Lipps, Ranking Minority Member Rogers, and members of the Committee. My name is Richard Smith. I represent the residents of the Marysville Exempted School District. Thank you for the opportunity to speak to you today to express our opposition to House Bill (HB 75).

State Representative Derek Merrin, the primary sponsor of HB 75, spoke to issues he had concerning the process by which complaints and counter-complaints contesting the value of properties through the Board of Revision (BOR) process. He noted two key points:

- 1 – Government officials who may not be familiar with the past and current policies for filing a complaint/counter-complaint with the BOR.
- 2 – The potential for abuse of the system by agents or attorneys of the local government acting independent of appropriate supervision.

I applaud the Representative for taking action to focus attention on these possible situations. I must disagree with his proposal to address them. House Bill 75 creates duplication of notification and politicalizes what should be a non-political process. I believe amendments to the HB 75 can address these concerns in a less dramatic and cumbersome manner.

The duplication of notification results when a local government files a complaint or counter-complaint of the valuation of a property. The Bill requires both the BOR and the local government to send nearly identical notices to the owner of the property as to the action being taken. Current law does not require this action and relies on the BOR's registered notice to be sufficient to property owners.

More troublesome is the Bill's requirement that, following owner notification, the local government (my school district) pass a resolution authorizing the local government's attorney to file a complaint. That authorization must take place in a public meeting each and every time the local government is motivated to participate in the BOR process. While passing resolutions in public are common for local governments, what is not common is requiring separate resolutions for each administrative action to protect taxpayers and tax revenue. Some may join me in seeing this proposal as an effort to discourage boards of education from participation in the BOR process which was created to help insure that everyone pays only their fair share of the collective tax responsibility.

There should be no question that each property owner should pay their fair share of local property taxes. Schools and other local governments are dependent on these funds for their operation. Local property taxes are approved by law or by local tax issues voted on by the tax payers. The Board of Revision process allows for review of the property values to be challenged and fair/appropriate taxes collected. The BOR process should be simple, non-confrontational and based on fact and reason.

I asked our school board treasurer to explain our district's current procedures and process. He responded, "For our property tax process, we look at two types of situations. First, when someone buys a property at a price that is much higher than the county auditor's assessed value, we would ask this property to be

looked at based on the principle that the value of the property should likely be increased to the purchase price. Second, when someone files with the BOR to reduce the value of their property without appropriate evidence of value, we simply ask that there is evidence to support the change typically in the form of an appraisal. The reasoning behind this is to not "cherry pick" or show bias in which properties are looked at. I receive phone calls every so often from someone who is not happy that their property value is being challenged. With this process, I am able to confidently answer them that we have a process in place that is fair to everyone across the district to ensure that everyone is paying their fair share." A follow up question confirmed that this procedure is not established in specific board policy but is the standard operating procedure of our treasurer.

As a result of considering the questions raised by the sponsor and a review of the process followed by the Marysville Exempted Village School District, I support a more reasonable and less radical approach which will address the concerns the Representative raised. I suggest the Committee entertain two possible revisions to the proposal.

First, Boards of Education and other local governments that intend to file complaints and counter-complaints to the County Auditor's values should pass a resolution setting the parameters for the district's participation in the BOR process in policy. The superintendent and/or treasurer/CFO must then follow the board's policy when administering the complaints and counter-complaints the district files with the BOR. Requiring adoption of a policy avoids the possibility of selective complaints, creates a transparent process and avoids the politicization of the BOR process.

Second, Contracts with any attorney representing the local government should require that no complaints or counter-complaints may be submitted to the BOR without prior approval by the school district administration or appropriate local government official. This addresses a concern raised by the Sponsor that attorneys or agents of local governments use the BOR process for their own financial gain.

I ask that this Committee consider amendments to the current legislative proposal and adopt a more reasoned approach to the issues which may exist with the current Board of Revision process. I ask that this Committee support local control by allowing local governments to establish policies for the BOR process consistent with local conditions. I ask that this Committee avoid making an administrative action a political event by requiring separate individual resolutions be passed by local governments.

House Bill 75 can be improved. The Board of Revision process, which we have relied on to ensure everyone pays their fair share of local taxes, can be made more transparent and consistent across the State of Ohio. I urge members of this Committee to act to achieve these goals.

Respectfully,

Richard Smith

Marysville Exempted Village School District  
Board Member  
Vice President and Legislative Liaison