Finance / Treasurer's Office

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November 27, 2017

Chairman Shaffer, Vice Chair Scherer, Ranking Member Rogers, Members of the House Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on H.B. 343.

I am Greg Markus, Interim Treasurer of the Parma Board of Education. Parma Schools is one of the largest school districts in Ohio with 10,378 students and 14 schools. The majority of our funding is from local property taxes. Parma Schools are located in three suburban communities largely developed after World War II. In a developed, aging and inner-ring suburb of Cleveland we face obstacles as to retaining existing property tax revenue.

On account of the recession and an older commercial base, the district experienced significant residential and commercial tax complaint filings during the past few years. Approximately 6,501 residential decrease complaints were filed between 2009 and 2017. During the same period taxpayers filed 673 commercial decrease complaints requesting a change of value in excess of \$50,000. The decrease complaints annually challenge multi-million dollars of revenue per year.

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Tax Year	Collection	Taxpayer	Taxpayer	School Board
	Year	Residential	Commercial	Increase
	(Filing	Decrease	Decrease	Complaints
	Year)	Complaints	Complaints	(Value change
			(Value change	> \$50,000)
			> \$50,000)	
2008	2009	1,571	65	18
2009	2010	552	143	24
(Update)				
2010	2011	565	61	5
2011	2012	1,671	67	7
2012	2013	707	148	18
(Reappraisal)				
2013	2014	439	61	8
2014	2015	388	50	11
2015	2016	376	50	40
(Update)				
2016	2017	232	28	36
Total		6,501	673	167

Finance / Treasurer's Office Administration Greg R. Markus | Interim Treasurer/CFO Pam Bartkowski | Administrative Assistant Diane Byrnes | Assistant Treasurer Arlene Mohammadpour | Payroll Supervisor

District Administration Carl H. Hilling. | Superintendent Greg R. Markus | Interim Treasurer/CFO Rusty Kuse I Business Manager

Board of Education John M. Tenerowicz | President Michael W. Johns I Vice-President Karen S. Dendorfer Kevin C. Kussmaul Michael R. Lewis

The board of education files increase complaints as to commercial property to make up the loss of revenue from decrease complaints. During the past 9 years the number of increase complaints filed by the Parma School Board as to commercial property seeking a value change of \$50,000 or greater were a quarter of the number of decrease complaints seeking a value change of \$50,000 or greater and a fraction of the volume of residential decrease complaints. The School Board does not file complaints as to residential property. Over an economic cycle, the loss and gain of revenue from commercial decrease and increase complaints offset each other. Our ability to manage local property taxes directly impacts our funding and the need to secure additional resources from the voters and the General Assembly.

H.B. 343 would require a school board prior to filing a complaint or a counter-complaint to provide written notice to the property owner of each parcel seven (7) business days in advance of the school board approving a resolution to file the complaint or counter-complaint. While intended to provide notice to taxpayers, H.B. 343 creates a cumbersome process for our school board to protect revenue.

We oppose H.B. 343 for a number of the following reasons:

- Property tax complaints are filed as to a property (not a parcel) which may involve more than one parcel and in some cases dozens or hundreds of parcels. The legislation would result in a taxpayer receiving multiple notices for the same property.
- We are concerned as to adequate time to complete a review of the tax duplicate, complete the proposed requirements, and file any complaints.
- A school board approves resolutions as to significant issues such as employment through a single resolution. A school board should be able to approve the filing of a complaint in a single resolution, consent agenda, or manner it deems appropriate.
- The requirement in the legislation for notice and approval requirements for the filing of a counter-complaint should be eliminated. A board of education filing a property tax counter-complaint is seeking to participate in the proceedings and retain the County's value. A counter-complaint under Ohio law must be filed within thirty (30) days of the BOR providing notice to a school board of the decrease complaints. There is inadequate time within the existing 30 day period to gather the information as to the complaints, provide notice as provided in the legislation, schedule and hold a school board meeting, and file the counter-complaints.

Thank you,

Greg Markus, CPA, Interim Treasurer