

Senate  
Ways & Means Committee

Committee Hearing

HB 343

“A Bill To amend section 5715.19 of the Revised Code to require local governments that contest property values to formally pass an authorizing resolution for each contest and to notify property owners.”

Date: June 26, 2018  
Time: 11:15AM  
North Hearing Room

Written Testimony of Mark H. Gillis  
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## **Introduction:**

Thank you Chairman Eklund, Vice Chairman Terhar, Ranking Member Williams and members of the Ways and Means Committee for allowing me the opportunity to provide written testimony regarding House Bill 343. My name is Mark Gillis on behalf of the Ohio Coalition for Fair Taxation. The purpose of my testimony is to discuss the issues with the Bill as written and to offer and discuss specific amendments which will more efficiently address the issues that gave rise to the introduction of the bill in the first place.

HB 343 grew out of the perceived overzealous actions of a few and the realization that the general public may not be as aware of the Board of Revision process as we all would like. However, in its attempt to alleviate these issues, HB 343 puts onerous and undue burdens on local boards of education.

The issues giving rise to the introduction of HB 343 were:

1. Boards of Education initiating complaints against the value of single family owner occupied homes.
2. Boards of Education initiating complaints based upon something other than a recent sale or transfer of ownership of the actual property without providing notice to that owner.
3. Individual Board of Education members being apparently unaware that their own Boards had authorized the filing of complaints.

In an attempt to rectify these issues, HB 343 puts far heavier notice requirements on boards of education in order to file a complaint on the value of real property than the current statute puts on the County Board of Revision in *actually changing the value of that property*. Furthermore, the proposed requirements will turn what should be an objective non-partisan process based solely on the value of real estate into a process subject to political favoritism. By requiring a board of education to pass an individual resolution to file each individual complaint and to provide notice to each owner of not just the filing of the complaint itself, but also the consideration of a resolution to authorize the filing, boards of education will be pressured to not pursue complaints against the value of property owned by “friends of the district.”

Additionally, the requirement that each resolution only identify a single parcel and that each resolution must be adopted by “a separate vote from the question of whether to adopt any other resolution” is simply onerous and serves no purpose other than hinder the efficient conduct of board of education business. There are nearly 500,000 parcels in Franklin County. Boards of Education initiate complaints on less than 1% of those parcels. However, the current language of the bill would require the passage of thousands of resolutions each considered separately.

## **Require Boards of Education to Pass a Criteria Specific Resolution**

The requirements of individual notification and individual resolutions is not only onerous but will also have the effect of injecting politics into a process that should only be about the objective value of real property. More than 35 years ago when our law firm began working in this area, the issue of a board of education reviewing a list of owners prior to filing complaints was raised and addressed. After deciding the objective criteria upon which complaints would be filed, the board was asked whether they would like to review a list of owners before they were filed. The response was simply, and correctly: “No, we might know someone!”

That response is just as applicable today as it was then. Injecting politics and potential favoritism in what should be an objective process based upon the value of the property is simply bad policy. It must be remembered that for every property that is undervalued and therefore does not pay their fair share of tax revenue results in a *tax increase for everyone else*. Therefore, as a whole, the general public should demand that their board of education not only vigorously engage in the board of revision process, but also to do so in a *non-partisan way*.

Good policy is a requirement that each board of education periodically pass a resolution specifically describing the criteria upon which complaints will be filed. Criteria can include the classifications of parcels that will be filed upon as well as sale/transfer price minimums and/or tax revenue thresholds. All of our clients already have some or all of these criteria in place. Formalizing a requirement that all boards of education pass a single resolution outlining the criteria upon which they will file board of revision complaints is not only good practice, but will make sure that all board of education members are aware of the process and the criteria upon which complaints will be filed.

### **Counter Complaints:**

Currently, the language of HB 343 places the same notice and resolution requirements on the filing of a counter complaint filed by a board of education in response to a complaint initiated by a property owner. Under R.C. 5715.19(B), a board of education only has 30 days from the date it is notified of the property owner’s complaint to file a counter complaint. HB 343’s requirement that a board of education to provide notice to a property owner of the consideration of a resolution to file a counter complaint in response to the complaint that the owner filed would effectively cut the time a board of education has to file the counter complaint to 15 days or less. Furthermore, providing notice of the board of revision process is completely superfluous because the property owner is the one who initiated the process in the first place.

*Notice to a property owner of a board of education’s or other legislative authority’s right to file a counter complaint could easily be accomplished by requiring the Tax Commissioner, who is charged with the duty or prescribing the complaint form, to include such notice on the complaint form.*

### **Complaints based upon Sale/Transfer of Property**

A similar and more effective solution exists for notifying property owners that a complaint challenging the value of their property may be filed based upon a recent sale or transfer of the property. Currently, for every sale or transfer of property in Ohio, either a Real Property Conveyance Fee Statement of Value and Receipt or a Statement of Reason for Exemption From Real Property Conveyance Fee must be filed with the County Auditor by the buyer of the property.

By simply requiring the Tax Commissioner to include a notice on the conveyance forms that a complaint could be filed would result in all property owners receiving specific notice that a complaint could be filed based upon the sale/transfer of the property. This would also inform property owner it too could file such a complaint seeking a decrease in value based upon the sale/transfer of their property.

### **Conclusion**

The issues giving rise to the introduction of HB 343 can be addressed and remedied more effectively and efficiently than outlined in the current version of the bill. We urge the committee to look closely at the proposed alternatives.