

Akron Public Schools[®]

Administration Building

Chairman Eklund, Vice Chair Terhar, Ranking Member Williams, Members of the Senate Ways and Means Committee, thank you for giving me the opportunity to provide opponent testimony on Sub. H.B. 343.

I am Ryan Pendleton, Treasurer/CFO of Akron Public Schools. We are the fifth largest district in Ohio with approximately 22,000 students enrolled.

On account of the recession and an older commercial base, taxpayers for many years contested 50 to 200 properties each year for which the requested change of value exceeds \$50,000 plus hundreds of complaints below the threshold. Fewer complaints were recently filed for tax year 2017 in a much improved real estate market. Over the past 10 years, commercial taxpayers filed 897 complaints challenging \$16.4 million of revenue while APS filed 738 complaints seeking to gain \$17.4 million of revenue.

Tax Year	Increase Complaints (>\$50,000 of value)	Potential Gain of Revenue for Increase Complaints of Commercial Property	Decrease Complaints (>\$50,000 of value)	Potential Loss of Revenue from Taxpayer Initiated Decrease Complaints of Commercial Property
2007	86	\$1,061,602	43	\$601,515
2008 (Reappraisal)	93	\$2,610,141	170	\$3,106,247
2009	10	\$403,390	111	\$1,273,630
2010	26	\$240,905	94	\$1,376,472
2011 (Update)	104	\$5,516,657	93	\$3,003,419
2012	47	\$546,617	70	\$898,731
2013	48	\$833,377	63	\$587,495
2014 (Reappraisal)	88	\$2,143,203	92	\$1,757,659
2015	58	\$1,012,647	59	\$1,684,776
2016	53	\$883,462	48	\$1,412,460
2017 (Update)	125	\$2,201,725	54	\$694,955
Total	738	\$17,453,726	897	\$16,397,359

APS files increase complaints as to commercial property to make up the loss of revenue from decrease complaints and to reach resolutions with taxpayers as to overvalued properties. 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.

Currently I oversee the filing of tax complaints along with the Superintendent and General Counsel with consultation of the Board as is the course with other legal matters. Legal counsel is engaged on a fee for service basis and no contingency fee is paid. After a taxpayer receives a notice from the Board of Revision and contacts us we work to address the inquiry.

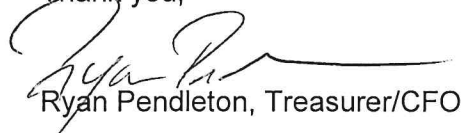
H.B. 343 would require a school board prior to filing a complaint or a counter-complaint to provide written notice to the property owner of each parcel in advance of the school board approving a resolution to file the complaint or counter-complaint. While intended to provide notice to taxpayers, H.B.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

Other concerns with H.B. 343 are as follows:

- There may be a lack of adequate time to complete a review of the tax duplicate, complete the proposed requirements in H.B. 343, and file any complaints.
- The notification provision duplicates the existing notice provided by the Board of Revision under current law.
- In addition to following objective criteria for filing a complaint, such as a recent arm's-length sale, the proposed procedure will insert political lobbying as to the filing of complaints.
- 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. Under current law a counter-complaint must be filed within thirty (30) days of the BOR providing notice to a school board of the decrease complaints. We are concerned as to whether there will be adequate 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, approve resolutions, and file the counter-complaints.

We appreciate your consideration of our objections and look forward to working with interested parties, the sponsor, and the committee for additional discussions.

Thank you,



Ryan Pendleton, Treasurer/CFO