

Ohio Senate
Ways & Means Committee

Committee Hearing

H.B. 343

Regards how local governments are to contest property values

Date: December 5, 2018

Time: 9:00AM

South Hearing Room

Written Testimony of Mark H. Gillis

Ohio Coalition For Fair Taxation

Introduction:

Thank you Chairman Eklund, Vice Chair Terhar, Ranking Minority Member Williams and members of the Ways and Means Committee of the Ohio Senate for allowing me the opportunity to testify regarding Substitute House Bill 343. My name is Mark Gillis with the Rich & Gillis Law Group and the Ohio Coalition for Fair Taxation. Our firm represents several dozen school districts in real property valuation matters throughout the State of Ohio.

At the outset, I would like to acknowledge that the current version of the bill before this committee is an improvement over the version of Sub. HB 343 passed by the House. That said, there are still several refinements that we believe need to be made. We have submitted these refinements as amendments to the bill. In brief, the proposed amendments include:

Complaint Initiated by a Board of Education:

- **Single Resolution:** Permitting a Board of Education to pass a single resolution authorizing the filing of multiple complaints instead of requiring a separate resolution for each complaint. As currently written, some Districts would have to pass hundreds of separate resolutions.
- **Eliminate Requirement to Attach Resolution to Complaint:** Resolutions are public documents that can be produced at any time. Requiring that they be attached to complaint for a Board of Revision to have jurisdiction does not change the fact that it was actually passed at a public meeting. If the amendment permitting a single resolution is accepted, then a BOE could simply file the single resolution with the board of revision instead of attaching a separate resolution to each complaint.
- **Eliminate inclusion of street addresses in resolution(s):** Street addresses are not certified by the County Auditor as accurate or correct. Furthermore, street addresses are not even included on the Auditor's Tax List and Treasurer's Duplicate which is the document from which R.C. 5715.19 permits parties to challenge valuation among other things. Requiring the inclusion of street addresses will only result in confusion where the Auditor's street address is incorrect or where a parcel has no street address.
- **Name of Owner:** The current bill requires a resolution to include "the name of *the record owner or owners* of the parcel." Some parcels have numerous owners as tenants in common and can number in the dozens. Furthermore, the Auditor's records do not include the names of *all owners* when there are multiple owners. Instead, the Auditor lists them as "et al." or "@ (2)" or whatever number of owners would apply. As such, the current requirement could be construed to essentially require a board of education to perform a title search for each parcel to ensure it included all of the record owners. If the county auditor does not need to list all of the owners of a parcel in his/her records, a board of education should not be required to do so in a resolution challenging the auditor's valuation.

- We have proposed an amendment which would require “the name of one or more of the record owners of the parcel.”
- **Amend Definition of Residential Property to Owner Occupied Residential Property:** The current bill prohibits a board of education from filing a complaint against the value of any property classified as residential. This prohibition would also prohibit the filing complaints against the value of property owned by large residential land developers who purchase large tracts of vacant residential land for development. Furthermore, boards of education whose districts are made up of primarily if not exclusively of residential property would be left with no mechanism with which to protect its local tax base.

We propose to amend the definition of “residential property” to include only that property which is classified as residential and that also qualifies for a partial exemption under section 323.152(B) of the Revised Code (the 2.5% owner -occupancy reduction).

Counter Complaints:

- **Permit counter complaints for potential change in valuation not just alleged overvaluation:** The current bill only provides notice to a board of education upon an allegation of “*overvaluation*” by a certain amount. The current statute requires notice upon an allegation of “*overvaluation, undervaluation, discriminatory valuation, illegal valuation, or incorrect determination.*” Since these other types of valuation challenges have the same net revenue effects, a board of education should be able to file counter complaints in those matters as well as it is currently permitted to do under R.C. 5715.19(B).
- **Economic Units:** The current bill limits the calculation for notice of the filing of a complaint to a BOE solely to the parcels listed “on that valuation complaint.” This will encourage property owners to file separate complaints for each parcel in an economic unit seeking less than the threshold amount for each parcel only to consolidate the complaints at the hearing before the BOR because they form a single economic unit and are therefore valued collectively. This already happens regularly and the current language will only encourage the proliferation of this practice for the sole purpose of limiting board of education involvement.

We have proposed an amendment to account for this practice by requiring notice if the parcels included on the complaint or complaints comprising an economic unit exceed the threshold as well as a definition of an economic unit.

It is my understanding that the proposed amendments have been drafted by LSC and I would be happy to answer any questions the committee has regarding the amendments.