

**TESTIMONY IN OPPOSITION TO SUBSTITUTE HB 343  
TO THE SENATE WAYS AND MEANS COMMITTEE**

**By Jeffrey McCuen, Treasurer Worthington City Schools**

**December 3, 2018**

Chairman Eklund, Vice Chair Terhar, Ranking Minority Member Williams and members of the Ways and Means Committee of the Ohio Senate, my name is Jeffrey McCuen, Treasurer for Worthington City Schools and I am here today to express opposition to Substitute House Bill (Sub. HB) 343 on behalf of the Worthington City School District.

The Worthington City School District serves students in the northern portion of Franklin County including the City of Worthington, Perry Township, Sharon Township and parts of the City of Columbus. Our mission is to engage a community of learners who will change the world.

Ohio's current property valuation and dispute process has worked for our citizens for decades. The county boards of revision affords all interested parties the ability to participate in the process, providing a proper check and balance to maintain fair and equitable taxation among the taxpayers in any given district. We believe this proposed bill Sub. HB 343 would upset this balance and create unnecessary delays in the process.

The district serves as taxpayer advocate ensuring properties are valued fairly. A valuation that is too low results in higher taxation for all other taxpayers. School districts do not receive significant long term resources on any change due to HB 920 and the reduction factors applied as a result of inflationary increases in valuation. We serve as a safeguard to our community to ensure all properties are valued properly.

Sub. HB 343 would require boards of education to pass separate resolutions for each property. Worthington Schools filed 79 sales complaints for the 2017 tax year. Of those 13 remain open and 54 of the 66 resolved resulted in an increase in valuation. The filing of 72 separate resolutions does not seem reasonable nor does it solve an existing issue. It may have unintended consequences as board members may know some of the parties to the complaint and the public vote could be perceived negatively as well as financial dealings between parties may result in the inability of the board to have a majority vote. Our current policy is to have our attorney handle all cases for commercial property. We do not file complaints on owner occupied residential property.

Sub. HB 343 requires the resolution to include parcel number, street address, owner or owners and to attach the resolution to the complaint form. There are issues with many of these requirements. The County Auditor does not certify street addresses as being correct and they are not even included on The Auditor's Tax List and Treasurer's Duplicate. Requiring the street address to be included will only result in confusion where there is a discrepancy between the listed address and the actual address or where there is in fact no street address listed. Therefore, there is no real purpose for its inclusion. The identifying information for all tax parcels is the parcel identification number throughout the state. The bill requires "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. While again this does not seem to have a

valid purpose, if the provision is retained the language should be changed to “the name of one or more of the record owners of the parcel”. The requirement to attach the resolution to the complaint is not necessary as all resolutions by a board of education are a public document already and the inadvertent action of not attaching the resolution would make the filing jurisdictionally invalid.

Sub. HB 343 also increases the valuation change amount at which required notification to boards of education would be required of filed complaints. This will again impede the true valuation of property throughout the state. We suggest that a board of education should have the authority to pass a resolution to determine what that amount should be.

Sub. HB 343 has a few other issues in language that may result in unintended consequences. The language changes in 5715.19(B)(1)(b) would remove the board’s ability to challenge a change in classification of property which can have a substantial impact on the tax revenue due to the differing tax rates between residential property and commercial industrial property. In our District, the difference is 19.73 mills. Furthermore, a change in classification can require a change in appraisal methodology resulting in a completely different valuation. The previous statute language included the terms “overvaluation, undervaluation, discriminatory valuation, illegal valuation, or incorrect determination” and those terms should be retained in law. Lastly, Sub. HB 343 prohibits filing on “residential property”, this term is overly broad and would limit the ability of a board of education to file in the cases of many developers and rental property owners that use residences as a business model. We currently do not file against owner occupied residences, but do understand that if amounts are substantially undervalued this also upset the balance of fair taxation in a community.

The Worthington City School District believes our current system works well for taxpayers in our community and for most communities throughout the state. Therefore, in closing, we respectfully urge the Senate Ways and Means Committee to reject Substitute HB 343 as it is currently written.

Thank you for your consideration.