

### Testimony of Mike Sobul on Substitute HB 343

Chairman Eklund, Vice-Chairman Terhar, Ranking Member Williams, and members of the Senate Ways and Means Committee, my name is Mike Sobul, the CFO/Treasurer of the Granville Exempted Village School District. I am returning to testify again in opposition to Substitute HB 343.

While the substitute version of the bill is generally less objectionable than the version that was enacted by the House, I believe it continues to be a solution in search of a problem.

There are two major issues with the substitute language. The first is with the resolution requirements by the Board of Education. If the purpose of the language is to make sure the Boards are aware of the challenges being filed, this language represents a significant new mandate that is out of proportion with the purpose. I also believe the resolution requirements are not necessarily going to accomplish that goal.

Consider the larger districts in the state. They may be filing a couple hundred valuation challenges. If each of those challenges has to be in a separate resolution, the resolution document they are voting on may be hundreds of pages long. It is unrealistic to anticipate Board members are going to sift through hundreds of pages of resolutions and evaluate them. More likely, they are going to rely on their Treasurer and/or Superintendent to make good choices. That is exactly what happens now. The language requirements will add inefficiencies and costs to current practices without changing any outcomes.

The second issue is with the restriction against filing challenges against residential properties. Current practice in many districts is to either not file challenges on residential property or to be very judicious in filing. In Granville, residential property sales generally need to be more than 50 percent above market value for tax purposes before we will even consider filing a complaint.

There is also a basic fairness issue. Consider this question before deciding on HB 343. Are you as a home owner OK with paying a couple dollars more per year in property taxes so your neighbor, who might have a very similar house to you, pays a couple thousand dollars less per year than you do because the neighbor's house is not valued properly? That could easily be the result of the language in HB 343.

The current system was established to ensure the most accurate values are in place for all properties. Challenges to grossly undervalued residential property filed by school districts help insure that all taxpayers pay a fair share of the school tax burden and some residential taxpayers are not subsidizing others.

Chairman Eklund, thank you for the opportunity to be here today. I will be happy to answer any questions committee members may have.